



BANK OF FINLAND

Monthly Bulletin

Recent developments in costs and prices

Public finance

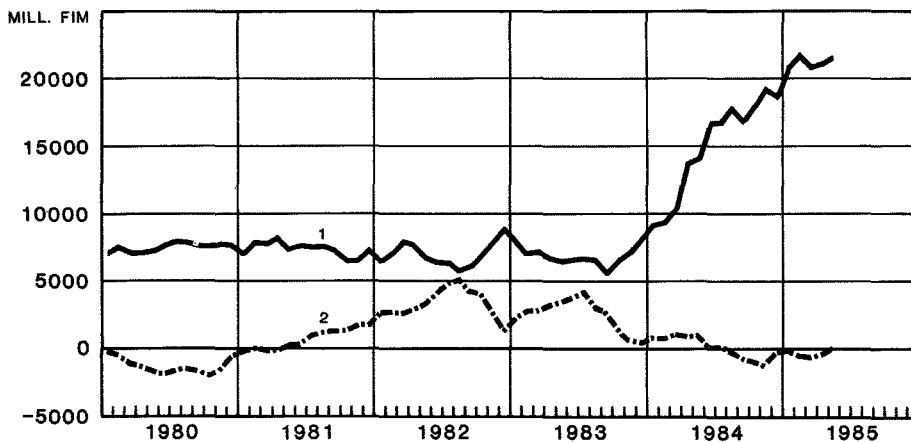
Monetary and foreign exchange policy
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Finland's balance of payments January—
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The Bank of Finland's new bank note
series

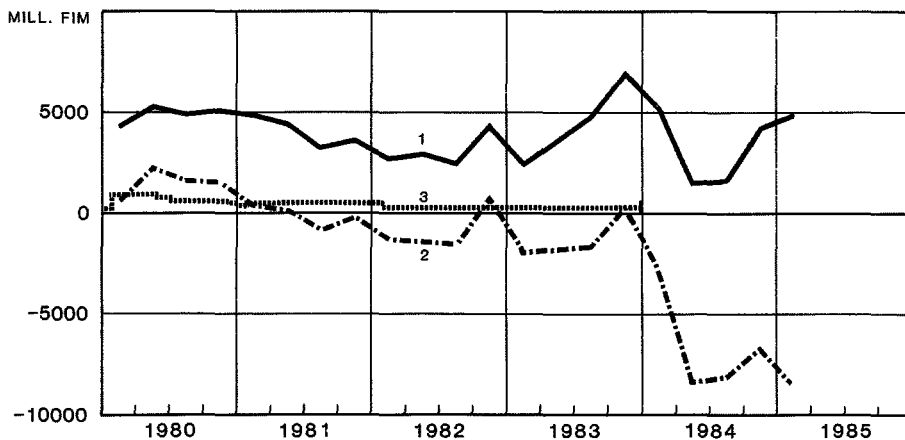
Publication of the Security Printing House

BANK OF FINLAND'S CONVERTIBLE AND TIED FOREIGN EXCHANGE RESERVES, 1980-85



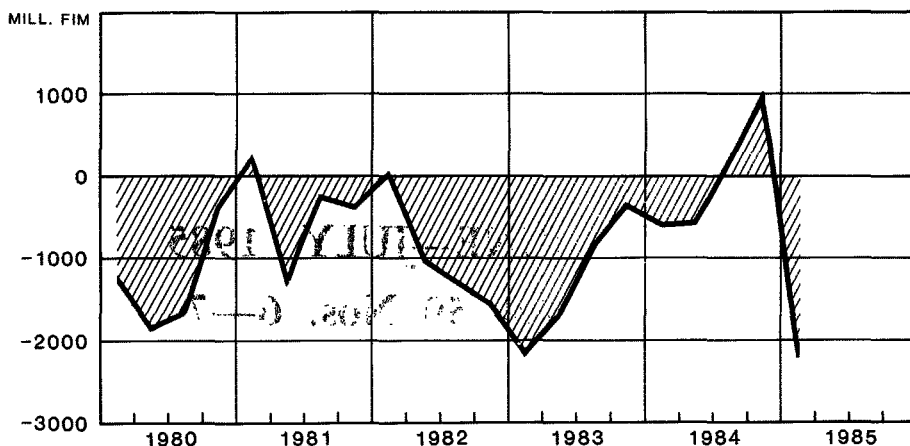
- 1. Gold and convertible currencies
- 2. Tied currencies

DEPOSIT BANKS' CENTRAL BANK POSITION, 1980-85



- 1. Gross central bank debt
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 - 3. Quotas
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BALANCE OF PAYMENTS CURRENT ACCOUNT SURPLUS/DEFICIT, 1980-85



Seasonally adjusted quarterly figures

RECENT DEVELOPMENTS IN COSTS AND PRICES

by Chris-Marie Rasi, M.Pol.Sc.
Economics Department
Bank of Finland

Along with other industrialized countries, Finland witnessed a deceleration in the pace of cost and price increases last year. In December 1984, the 12-month increase in consumer prices was 6.1 per cent, compared with 8.6 per cent a year earlier and 9.0 per cent in December 1982.

During the first months of the current year, Finland's inflation rate, measured by the consumer price index, has accelerated somewhat, largely because of seasonal and timing factors. Budgeted increases in central government taxes and tariffs were implemented at the beginning of the year. In addition, rises in food prices resulting from the agricultural income settlement and increases in housing rents normally take place during the early months of the year. Price increases are, however, expected to be fairly small in the second half of the year so that the consumer price rise in the course of 1985 should decelerate to close to 5 per cent.

The deceleration of inflation in 1984 was due to both internal and external factors. Inflationary impulses from import prices, in terms of domestic currency, were relatively moderate showing an increase of 5 per cent for the year as a whole. This reflected the sluggish developments in world prices of investment and consumer goods and of raw materials other than oil. In the period 1977–81, import prices increased at double-digit rates and in 1983 they rose by more than 7 per cent.

Export prices increased by almost 8 per cent in 1984, giving rise to a clear improvement in the terms of trade. The major part of the increase came from paper and pulp products. The growth of export earnings also seems to have

led to some additional wage drift in those industries, as well as to an approximately 10 per cent increase in timber prices last year.

In line with decelerating consumer price inflation there has been a slowdown in wage increases. The index of wage and salary earnings rose by 9.4 per cent¹ on average in 1984, which was about 1–1½ percentage points less than the annual increase in the two preceding years. Nevertheless, the growth of earnings still exceeded the average in other industrial countries by some 3 percentage points. Of the 9.4 per cent rise in wage and salary earnings in 1984, about 6.6 per cent was derived from negotiated increases, the rest being due to wage drift. The growth of the earnings index also decelerated appreciably during the year from more than 10.7 per cent over the previous year in the first quarter to about 7.2 per cent in the fourth quarter. In order to diminish the effect of inflationary expectations on contractual wage demands, the current two-year incomes agreement includes an index clause.²

However, despite the clear improvement in the terms of trade, the wage index trigger for 1984 was not activated.

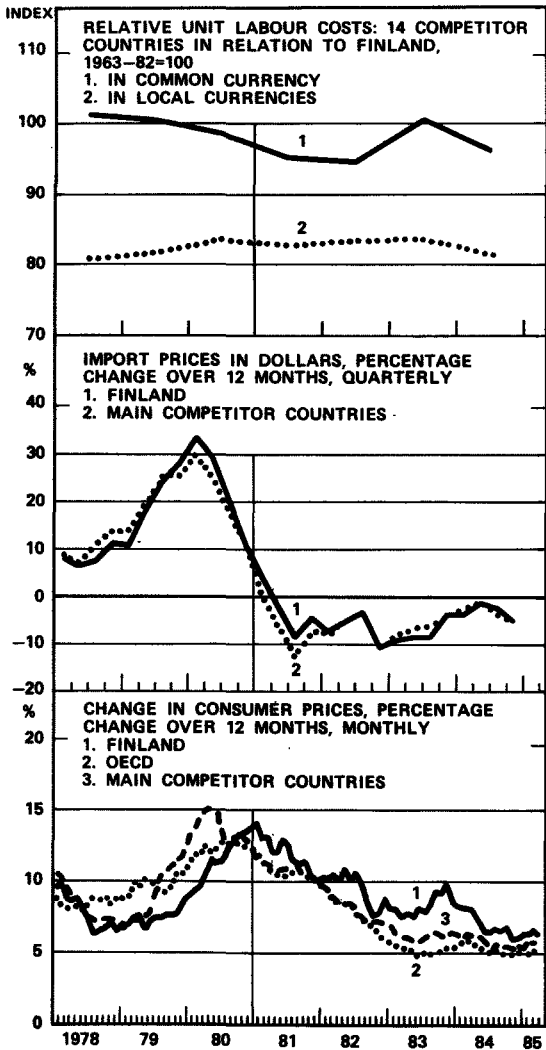
Compensation of employees³ grew by about 11.5 per cent in 1984. Part of the growth represented an increase in hours worked and in

1 Preliminary figure

2 Wage and salary earners would have been compensated in full if the increase in the consumer price index adjusted for one-third of the change in the terms of trade had exceeded 5.8 per cent between February and December 1984. The same threshold applies for the period December 1984 – December 1985.

3 The wage bill plus employers' social insurance contributions; according to Finnish national accounts, preliminary figures.

CHART 1. PRICE COMPETITIVENESS AND INFLATION



employers' social insurance contributions. The total wage bill grew by about 11 per cent. In real terms, the average earnings index (deflated by the consumer price index) increased by 2.1 per cent.

Finland's fast growth of labour productivity, especially in the open sector, has alleviated the cost pressures stemming from labour costs. In the period 1978-84, labour productivity in manufacturing grew at an average annual rate of 5.4 per cent. Despite a higher increase in wage rates, Finnish unit labour costs in manufacturing have grown at about the same pace

as in competitor countries in recent years, when estimated in local currency terms, staying fairly close to their long-run average. In 1984, there was nevertheless a deterioration of 4.5 per cent in relative price competitiveness when measured in common currency terms (see the upper panel of Chart 1). About half of this was due to the appreciation of the Finnish markka. Relative unit labour costs are expected to remain unchanged in 1985.

Productivity growth in the sheltered sector has been slower than in the open sector, increasing at an annual average rate of 2.8 per cent in 1978-84. Partly for this reason, prices in the sheltered sector have grown faster. Since 1981, prices of services (excluding housing rents), which belong mainly to the sheltered sector, have risen some 2 percentage points a year faster than the total consumer price index.

Rises in public prices and charges and indirect taxes were also curbed last year so as to support the official target of limiting inflation to 6 per cent in the 12 months to December 1984. These items are estimated to have raised the consumer price index by about 0.5 percentage point in 1984. In 1983, the corresponding impact was 2.5 percentage points.

The inflation differential that has existed between Finland and her main competitor countries since the second oil shock has been partly attributable to Finland's somewhat faster rate of increase in import prices in 1980-82 (see the middle panel of Chart 1) and higher level of relative economic activity. The average growth rate of GDP in 1979-84 was 3.9 per cent in Finland, compared with 2.3 per cent for the OECD area as a whole.

To support growth and employment, economic policies in Finland swung over to an expansionary stance in 1981-83. This was in

(Continued on page 35)

	1984		1985			
	May 31	Dec. 31	May 8	May 15	May 23	May 31
Assets						
Gold and foreign currency claims	15 266	19 302	21 998	21 940	21 921	21 931
Gold	1 383	1 732	1 732	1 732	1 732	1 732
Special drawing rights	786	936	972	953	963	963
IMF reserve tranche	743	859	881	864	863	842
Convertible currencies	11 280	15 387	18 205	18 176	18 143	18 183
Tied currencies	1 074	388	208	215	220	211
Other foreign claims	4 139	2 835	2 822	2 822	2 806	2 828
Markka subscription to Finland's IMF quota	2 762	2 835	2 822	2 822	2 806	2 828
Term credits	1 377	—	—	—	—	—
Claims on financial institutions	4 595	9 166	7 861	9 048	8 149	7 026
Banks' cheque accounts	57	530	63	162	64	88
Call money market advances	1 244	5 018	4 378	5 513	4 672	3 611
Till-money credits	1 119	1 563	1 448	1 415	1 455	1 373
Bonds	2 094	1 999	1 911	1 911	1 909	1 915
Other claims on financial institutions	81	56	61	47	49	39
Claims on the public sector	2 137	1 951	1 818	1 821	1 819	1 819
Government promissory notes	1 000	1 000	790	790	790	790
Bonds	373	124	154	156	157	156
Total coinage	748	806	857	858	859	860
Other claims on the public sector	16	21	17	17	13	13
Claims on corporations	4 851	4 846	4 830	4 787	4 878	4 917
Financing of exports	1 822	1 786	1 703	1 670	1 729	1 760
Financing of domestic deliveries	2 750	2 860	2 954	2 944	2 976	2 984
Bonds	154	114	92	92	92	92
Other claims on corporations	125	86	81	81	81	81
Other assets	109	142	147	145	144	144
Total	31 097	38 242	39 476	40 563	39 717	38 665
Liabilities						
Foreign currency liabilities	67	809	394	325	304	204
Convertible accounts	67	84	33	31	28	55
Tied currencies	0	725	361	294	276	149
Other foreign liabilities	3 624	3 752	3 749	3 731	3 714	3 735
IMF markka accounts	2 762	2 835	2 822	2 822	2 806	2 828
Allocations of special drawing rights	862	917	927	909	908	907
Notes and coin in circulation	6 647	7 442	7 030	7 077	7 172	7 322
Notes	6 073	6 744	6 321	6 367	6 460	6 609
Coin	574	698	709	710	712	713
Liabilities to financial institutions	10 693	11 879	15 215	14 764	13 638	15 182
Banks' cheque accounts	193	147	8	9	92	41
Call money market deposits	3 892	2 216	4 881	4 464	3 255	4 785
Cash reserve deposits	6 432	8 696	9 502	9 501	9 501	9 577
Capital import deposits	99	745	729	684	689	686
Other liabilities to financial institutions	77	75	95	106	101	93
Liabilities to the public sector	822	4 277	2 319	4 050	4 051	1 200
Cheque accounts	0	1	0	1	0	1
Government deposit account	800	4 200	1 800	3 600	3 600	1 100
Export deposits	10	76	99	99	99	99
Capital import deposits	—	—	420	350	352	—
Other liabilities to the public sector	12	0	0	0	0	0
Liabilities to corporations	2 421	2 814	3 432	3 420	3 449	3 410
Deposits for investment and ship purchase	1 329	2 127	2 526	2 529	2 556	2 668
Capital import deposits	1 089	668	903	887	890	739
Other liabilities to corporations	3	19	3	4	3	3
Other liabilities	15	16	19	14	14	16
Valuation account and reserves	1 476	963	996	859	1 050	1 267
SITRA's capital	400	400	400	400	400	400
Capital accounts	4 932	5 890	5 922	5 923	5 925	5 929
Primary capital	3 000	5 000	5 000	5 000	5 000	5 000
Reserve fund	1 638	638	764	764	764	764
Undisposed profits	273	—	126	126	126	126
Net earnings	21	252	32	33	35	39
Total	31 097	38 242	39 476	40 563	39 717	38 665

End of year or month	Foreign sector						Public sector			
	Gold, SDRs, IMF reserve tranche	Convertible currencies, net	Total convertible reserves (1 + 2)	Tied currencies, net	Other claims, net	Net claims (3 to 5)	Claims	Certificates of deposit and deposit account	Other liabilities	Net liabilities (8 - 7 + 9)
	1	2	3	4	5	6	7	8	9	10
1981	2 408	5 050	7 458	1 909	-991	8 376	1 236	1 600	578	942
1982	2 444	6 561	9 005	1 525	-1 447	9 083	1 040	1 700	50	710
1983	2 360	5 835	8 195	550	-794	7 951	2 178	3 000	0	822
1984	3 527	15 303	18 830	-337	-917	17 576	1 951	4 200	77	2 326
1984										
May	2 912	11 213	14 125	1 074	515	15 714	2 137	800	22	-1 315
June	2 927	13 829	16 756	170	510	17 436	2 103	1 000	26	-1 077
July	2 970	13 890	16 860	224	-184	16 900	2 109	1 800	20	-289
Aug.	2 975	14 947	17 922	-375	-181	17 366	2 080	1 200	30	-850
Sept.	3 009	13 991	17 000	-836	-910	15 254	2 039	1 500	38	-501
Oct.	3 019	15 013	18 032	-1 025	-915	16 092	1 998	1 500	52	-446
Nov.	3 095	16 237	19 332	-1 342	-905	17 085	2 000	2 200	65	265
Dec.	3 527	15 303	18 830	-337	-917	17 576	1 951	4 200	77	2 326
1985										
Jan.	3 542	17 438	20 980	-34	-924	20 022	1 952	1 200	85	-667
Feb.	3 631	18 254	21 885	-368	-965	20 552	1 958	2 800	93	935
March	3 540	17 366	20 906	-502	-910	19 494	2 021	1 400	100	-521
April	3 565	17 639	21 204	-321	-917	19 966	1 808	1 000	510	-298
May	3 537	18 128	21 665	62	-907	20 820	1 819	1 100	100	-619

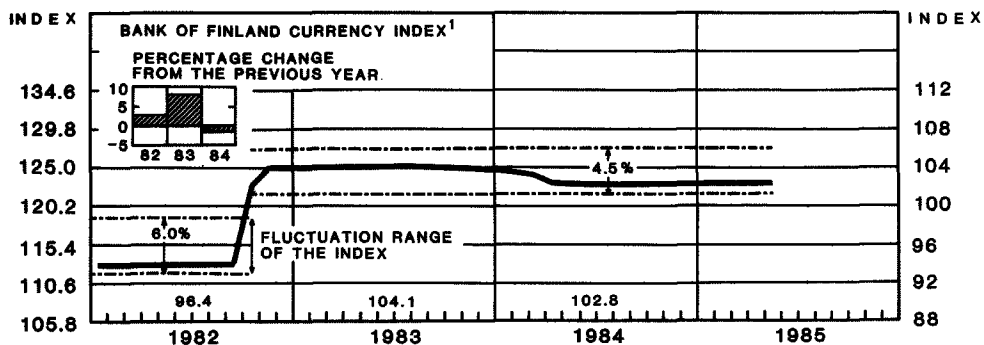
OFFICIAL FOREIGN EXCHANGE RESERVES

Mill. FIM

	Dec. 31, 1984	Feb. 28, 1985	March 30, 1985	April 30, 1985	May 31, 1985
Gold	1 732	1 732	1 732	1 732	1 732
SDRs	936	995	955	961	963
IMF reserve tranche	859	904	853	872	842
Convertible currencies, net	15 303	18 254	17 366	17 639	18 128
Total convertible reserves, net	18 830	21 885	20 906	21 204	21 665
Tied currencies, net	-337	-368	-502	-321	62
Total reserves, net	18 493	21 517	20 404	20 883	21 727

End of year or month	Domestic financial sector						Corporate sector				Notes and coin in circulation
	Till-money credits	Claims on cheque accounts, net	Demand for call money by deposit banks	Supply of call money by deposit banks	Cash reserve deposits	Other liabilities, net	Net claims (1+2+3-4-5-6)	Permanent special financing schemes	Liabilities, net	Net claims (8-9)	
	1	2	3	4	5	6	7	8	9	10	11
1981	768	495	1 796	1 080	2 492	-406	-107	3 865	749	3 116	5 595
1982	889	163	3 126	1 470	3 132	-1 042	618	4 302	999	3 303	6 062
1983	942	443	5 785	610	5 039	-1 555	3 076	4 529	1 282	3 247	6 574
1984	1 563	383	5 018	2 216	8 696	-1 235	-2 713	4 646	2 614	2 032	7 442
1984											
May	1 119	-136	1 244	3 892	6 432	-1 999	-6 098	4 572	2 142	2 430	6 647
June	1 119	15	541	3 872	6 480	-2 006	-6 671	4 571	2 641	1 930	6 954
July	1 279	14	1 041	3 063	6 604	-2 037	-5 296	4 487	2 771	1 716	6 813
Aug.	1 108	5	1 149	4 109	6 670	-2 033	-6 484	4 435	2 753	1 682	6 776
Sept.	1 145	27	2 109	2 281	6 734	-2 081	-3 653	4 545	2 834	1 711	6 869
Oct.	1 276	68	3 045	3 658	7 385	-1 816	-4 838	4 710	2 684	2 026	6 698
Nov.	1 170	22	4 819	4 153	8 029	-1 263	-4 908	4 735	2 602	2 133	6 897
Dec.	1 563	383	5 018	2 216	8 696	-1 235	-2 713	4 646	2 614	2 032	7 442
1985											
Jan.	1 382	110	2 868	5 738	8 799	-1 245	-8 932	4 765	2 632	2 133	6 881
Feb.	1 364	26	4 816	5 184	9 241	-1 197	-7 022	4 729	2 921	1 808	6 929
March	1 273	1	4 599	5 335	9 452	-1 173	-7 741	4 751	3 085	1 666	6 972
April	1 435	29	4 558	5 199	9 502	-1 170	-7 509	4 684	3 243	1 441	7 173
May	1 373	47	3 611	4 785	9 577	-1 175	-8 156	4 744	3 237	1 507	7 322

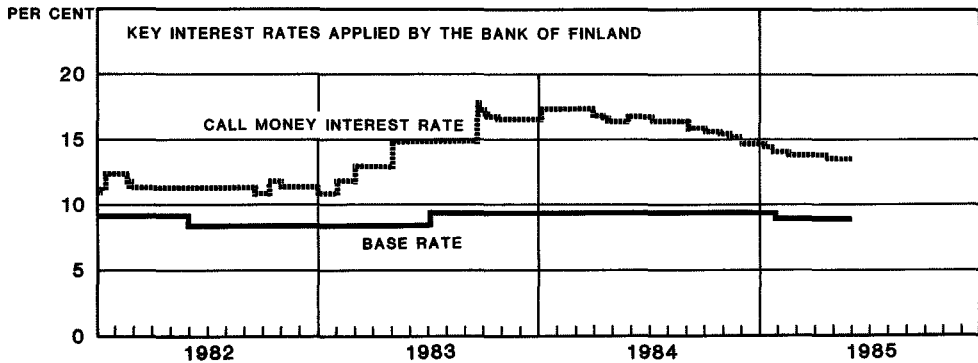
¹ The left-hand scale depicts movements in the external value of the markka under the index in use until December 31, 1983 (1974 = 100), and the right-hand scale movements in the external value of the markka under the revised index introduced on January 1, 1984 (1982 = 100).



MONETARY POLICY INDICATORS

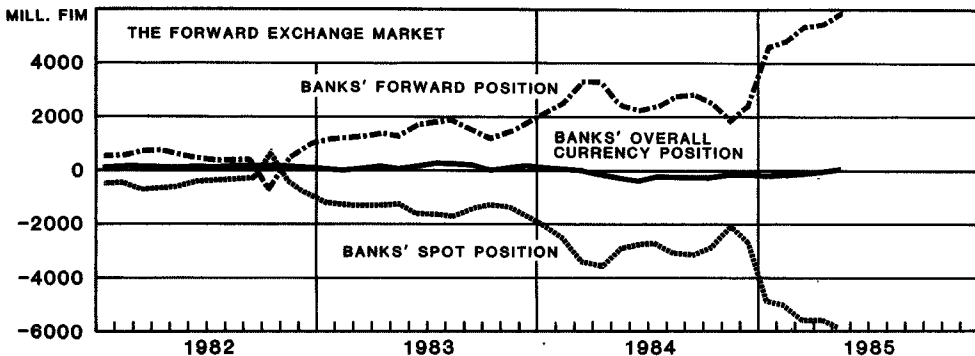
Average for period	Gross central bank debt of the deposit banks mill. FIM	Net central bank debt of the deposit banks mill. FIM	Cash reserve deposits of the deposit banks mill. FIM	Cash reserve requirement %	Call money credit extended by the Bank of Finland	Call money interest rate %	Average cost of gross central bank debt %	Base rate %	Average lending rate of the commercial banks ¹ %
	1	2	3	4	5	6	7	8	9
1980	4 971	1 560	2 542	3.8	3 313	12.38	12.37	9.20	9.77
1981	4 095	-33	2 795	3.5	2 161	11.48	11.61	9.25	9.84
1982	3 201	-783	2 777	3.1	1 571	11.64	11.98	8.81	9.33
1983	4 539	-1 213	4 345	4.3	2 724	15.37	15.13	9.00	9.56
1984	3 176	-6 365	6 325	5.4	-39	16.53	16.53	9.50	10.49
1984									
March	3 460	-4 482	5 351	5.0	869	17.50	17.50	9.50	10.40
April	2 051	-7 207	5 721	5.4	-1 487	16.77	16.82	9.50	10.44
May	1 471	-8 557	6 149	5.6	-2 407	16.53	16.52	9.50	10.45
June	1 175	-9 062	6 429	5.6	-2 633	16.80	16.80	9.50	10.50
July	1 463	-7 680	6 481	5.6	-1 199	16.53	16.51	9.50	10.50
Aug.	1 462	-8 136	6 598	5.6	-1 538	16.50	16.50	9.50	10.51
Sept.	2 127	-8 186	6 672	5.6	-1 515	16.10	16.04	9.50	10.56
Oct.	2 948	-6 801	6 755	5.6	-46	15.75	15.76	9.50	10.55
Nov.	4 181	-6 888	7 410	5.6	522	15.48	15.48	9.50	10.63
Dec.	5 650	-5 999	8 051	5.6	2 052	15.07	15.07	9.50	10.68
1985									
Jan.	4 713	-7 902	8 700	5.6	798	14.57	14.61	9.50	10.69
Feb.	4 414	-9 319	8 815	5.6	-504	14.18	14.18	9.00	10.30
March	5 727	-8 143	9 261	5.6	1 119	14.00	14.00	9.00	10.36
April	5 483	-8 901	9 453	5.6	552	13.96	13.96	9.00	10.38
May	4 691	-9 267	9 504	5.6	236	13.80	13.80	9.00	..

¹ End of period.



FORWARD EXCHANGE MARKETS IN FINLAND

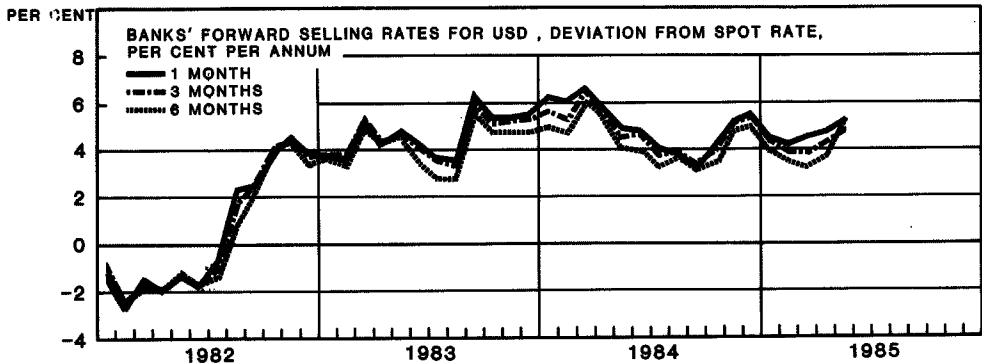
Period	Banks' forward positions in mill. FIM with						Banks' forward selling rates for USD		
	Domestic firms			Foreign banks Net	Bank of Finland Net	Overall Net	Deviation from spot rate, per cent per annum		
	Assets	Liabilities	Net				1 month	3 months	6 months
	1	2	3	4	5	6	7	8	9
1983	7 541	1 227	6 314	-1 688	-2 290	2 373	5.6	5.3	4.8
1984	22 921	1 394	21 527	2 002	-19 962	3 746	5.6	5.5	5.1
1983									
Dec.	7 541	1 227	6 314	-1 688	-2 290	2 373	5.6	5.3	4.8
1984									
Jan.	7 292	1 661	5 631	-2 026	-1 235	2 304	6.3	5.3	5.1
Feb.	8 290	1 681	6 609	-1 871	-1 887	2 717	6.1	5.3	4.8
March	10 052	1 611	8 441	-1 676	-3 560	3 173	6.7	6.6	6.2
April	11 249	1 326	9 923	-841	-5 109	3 846	5.8	5.7	5.5
May	13 528	1 156	12 372	178	-10 041	2 529	4.9	4.5	4.1
June	15 547	1 145	14 402	1 389	-12 667	3 083	4.8	4.7	4.0
July	15 956	1 306	14 650	1 541	-13 011	3 240	4.1	3.9	3.3
Aug.	20 049	1 354	18 695	2 557	-17 217	4 089	3.8	4.0	3.7
Sept.	20 548	1 679	18 869	2 406	-18 362	3 056	3.2	3.4	3.2
Oct.	22 267	1 741	20 526	1 914	-19 419	3 138	4.2	4.0	3.5
Nov.	22 383	1 786	20 597	1 790	-20 139	2 460	5.2	5.2	4.9
Dec.	22 921	1 394	21 527	2 002	-19 962	3 746	5.6	5.5	5.1
1985									
Jan.	23 207	1 450	21 757	2 949	-19 394	5 420	4.5	4.4	4.1
Feb.	22 602	1 592	21 010	2 971	-18 333	5 186	4.3	4.0	3.6
March	23 343	2 246	21 097	1 048	-16 848	5 575	4.6	4.0	3.3
April	22 987	2 218	20 769	1 640	-16 768	5 752	4.8	4.3	3.8



FOREIGN EXCHANGE RATES

Average selling rates for foreign exchange, FIM

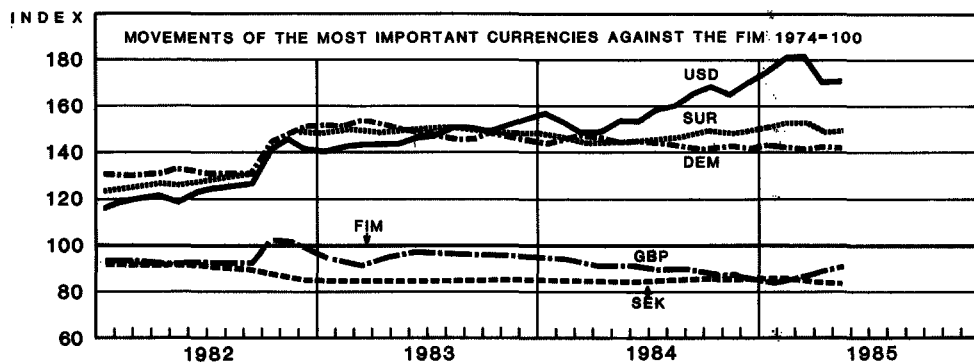
Period	New York 1 US \$ USD	Montreal 1 C \$ CAD	London 1 £ GBP	Dublin 1 Ir£ IEP	Stockholm 100 Skr SEK	Oslo 100 Nkr NOK	Copenhagen 100 Dkr DKK	Frankfurt 100 DM DEM	Amsterdam 100 Hfl NLG	Brussels 100 FB BEC	BEL
	1	2	3	4	5	6	7	8	9	10	11
1980	3.730	3.194	8.691	7.689	88.43	75.81	66.53	205.58	188.02	12.818	12.635
1981	4.315	3.602	8.731	6.976	85.74	75.54	60.96	191.31	173.43	11.688	11.095
1982	4.820	3.313	8.423	6.854	77.03	74.84	57.93	198.76	180.66	10.584	9.859
1983	5.570	4.524	8.456	6.957	72.75	76.44	61.07	218.61	195.66	10.934	10.742
1984	6.010	4.345	8.023	6.533	72.77	73.84	58.16	211.65	187.72	10.428	10.274
1984											
April	5.650	4.422	8.054	6.569	72.27	74.54	58.32	214.29	189.99	10.491	10.209
May	5.821	4.502	8.100	6.518	72.15	74.64	57.91	211.99	188.39	10.422	10.267
June	5.822	4.472	8.038	6.528	72.05	74.66	58.10	213.19	189.12	10.462	10.324
July	6.019	4.550	7.962	6.501	72.64	73.48	57.92	211.78	187.65	10.454	10.355
Aug.	6.072	4.661	7.987	6.502	72.78	73.27	57.78	210.61	186.72	10.433	10.336
Sept.	6.278	4.787	7.919	6.451	73.36	73.05	57.40	208.01	184.46	10.320	10.236
Oct.	6.378	4.842	7.793	6.455	73.57	72.06	57.61	208.14	184.61	10.294	10.206
Nov.	6.261	4.762	7.792	6.507	73.13	72.08	58.07	209.79	186.02	10.400	10.346
Dec.	6.458	4.396	7.686	6.512	73.07	72.10	58.16	208.46	184.72	10.379	10.341
1985											
Jan.	6.640	5.023	7.510	6.548	73.38	72.53	58.75	209.90	185.81	10.489	10.455
Feb.	6.853	5.078	7.525	6.496	73.69	72.64	58.28	208.47	184.09	10.385	10.342
March	6.861	4.362	7.688	6.486	72.97	72.56	58.11	207.80	183.82	10.341	10.286
April	6.445	4.732	8.028	6.562	72.05	72.52	58.32	209.55	185.32	10.405	10.354
May	6.477	4.716	8.091	6.533	72.14	72.47	58.00	208.44	184.60	10.365	10.319



Average selling rates for foreign exchange, FIM

Zurich 100 Sfr CHF	Paris 100 FF FRF	Rome 100 Lit ITL	Vienna 100 ÖS ATS	Lisbon 100 Esc PTE	Reykjavik 100 lkr ISK	Madrid 100 Ptas ESB	Tokyo 100 Y JPY	Moscow 1 Cl Rbl SUR	1 special drawing right SDR	Currency index ¹
12	13	14	15	16	17	18	19	20	21	22
222.87	88.65	0.440	28.90	7.60	0.81	5.25	1.662	5.741	4.842 55	113.6
220.34	79.92	0.385	27.17	7.17	60.35	4.72	1.967	5.986	5.071 40	113.1
237.79	73.65	0.358	28.31	6.13	40.79	4.41	1.943	6.624	5.305 63	115.9
265.70	73.53	0.369	31.11	5.14	23.25	3.91	2.351	7.491	5.943 25	125.1
256.42	69.07	0.344	30.13	4.14	19.39	3.75	2.534	7.357	6.147 39	102.8
258.71	69.79	0.347	30.48	4.25	19.66	3.78	2.515	7.239	5.965 91	102.5
257.05	69.14	0.345	30.18	4.21	19.94	3.80	2.528	7.252	6.050 38	102.5
255.83	69.50	0.346	30.39	4.16	19.87	3.78	2.501	7.257	6.044 21	102.5
250.57	69.13	0.346	30.20	4.08	20.17	3.75	2.484	7.296	6.131 93	102.5
251.43	68.75	0.343	30.01	4.08	19.78	3.71	2.511	7.340	6.162 64	102.5
251.64	67.93	0.338	29.64	4.03	19.44	3.71	2.565	7.435	6.272 79	102.5
253.02	68.01	0.337	29.66	3.97	19.35	3.72	2.588	7.486	6.323 99	102.5
254.59	68.52	0.339	29.87	3.91	17.78	3.75	2.578	7.447	6.268 66	102.5
252.66	68.18	0.340	29.71	3.92	16.38	3.77	2.609	7.516	6.366 57	102.5
250.36	68.70	0.343	29.92	3.90	16.54	3.81	2.619	7.582	6.470 31	102.5
245.43	68.34	0.339	29.70	3.83	16.72	3.79	2.636	7.652	6.582 22	102.5
244.48	68.14	0.331	29.61	3.81	16.62	3.76	2.660	7.654	6.601 66	102.5
249.89	68.78	0.329	29.85	3.77	16.02	3.76	2.568	7.487	6.380 70	102.5
247.90	68.50	0.328	29.68	3.71	15.73	3.71	2.578	7.496	6.399 94	102.5

¹ Until December 31, 1983 the base year was 1974=100.
Since January 1, 1984 the base year has been 1982=100.



DEPOSITS BY THE PUBLIC

Mill. FIM

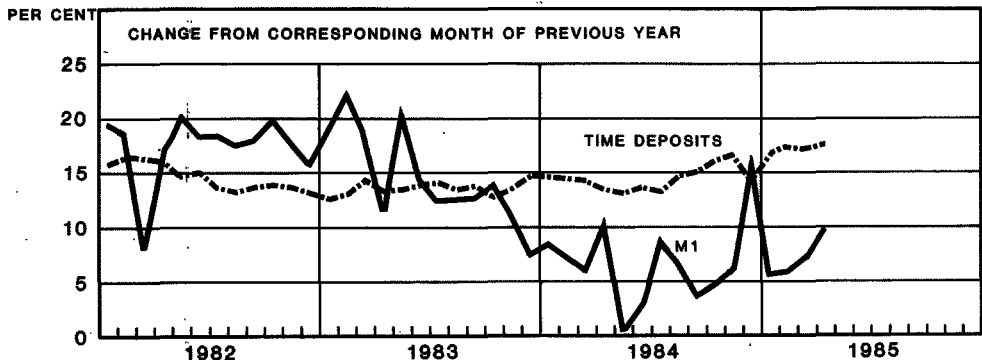
End of year and month	Demand deposits				Time deposits					Total (4 + 9)
	Commercial banks	Savings banks & Co-op. banks	Posti-pankki	All deposit banks (1 to 3)	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	All deposit banks (5 to 8)	
	1	2	3	4	5	6	7	8	9	10
1981	5 791	2 879	2 952	11 622	26 094	22 937	18 598	7 448	75 077	86 699
1982	7 155	3 874	3 049	14 078	29 465	25 883	21 040	8 666	85 054	99 132
1983	7 057	4 567	3 676	15 300	34 302	29 273	24 175	9 938	97 688	112 988
1984*	8 470	5 268	4 468	18 206	39 354	33 333	27 012	11 261	110 960	129 166

1984*

March	6 469	4 040	3 974	14 483	34 812	30 236	25 203	10 471	100 722	115 205
April	7 094	4 084	4 173	15 351	34 760	30 411	25 252	10 403	100 826	116 177
May	6 978	4 216	3 960	15 154	34 485	30 801	25 653	10 552	101 491	116 645
June	6 843	4 291	4 231	15 365	35 435	31 442	26 232	10 364	103 473	118 838
July	7 091	4 458	4 638	16 187	35 505	31 608	26 315	10 524	103 952	120 139
Aug.	6 910	4 454	4 708	16 072	36 139	31 989	26 598	10 672	105 398	121 470
Sept.	6 489	4 400	4 826	15 715	36 626	32 140	26 882	10 593	106 241	121 956
Oct.	7 423	4 522	4 621	16 566	37 457	32 255	26 919	10 710	107 341	123 907
Nov.	7 532	4 315	3 876	15 723	38 240	32 459	27 192	10 815	108 706	124 429
Dec.	8 470	5 268	4 468	18 206	39 354	33 333	27 012	11 261	110 960	129 166

1985*

Jan.	7 742	4 442	4 655	16 839	40 372	34 040	28 637	11 762	114 811	131 650
Feb.	7 340	4 255	4 445	16 040	41 866	34 730	29 275	11 806	117 677	133 717
March	6 579	4 273	4 663	15 515	42 639	34 659	29 180	11 692	118 170	133 685



ADVANCES TO THE PUBLIC – MONEY SUPPLY

Mill. FIM

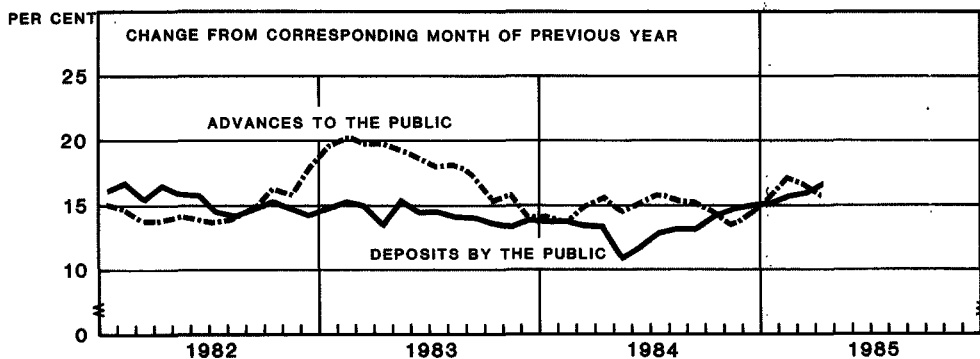
End of year and month	Advances granted by				Types of advances			Total (1 to 4) (5 to 7)	Money Supply	
	Commercial banks	Savings banks	Co-op. banks	Posti-pankki	Loans & bills in domestic currency	Cheque credits	Domestic credits in foreign currency		M ₁	M ₁ + Quasi-Money
	1	2	3	4	5	6	7		8	9
1981	40 462	22 009	20 059	11 135	80 817	2 877	9 971	93 665	17 186	94 577
1982	48 620	25 682	23 601	12 684	93 014	3 468	14 105	110 587	19 917	107 549
1983	56 162	29 276	27 322	13 471	104 627	4 350	17 254	126 231	21 427	121 905
1984*	65 965	32 705	31 164	14 686	118 924	5 233	20 363	144 520	24 945	141 658

1984*

March	59 625	29 961	27 990	14 011	106 930	5 142	19 515	131 587	20 606	125 049
April	61 338	30 142	28 191	14 317	107 812	5 466	20 710	133 988	21 464	126 269
May	60 965	30 522	28 535	14 362	109 106	5 140	20 138	134 384	21 486	126 686
June	62 468	30 718	28 825	14 344	110 255	5 208	20 892	136 355	22 026	129 549
July	62 941	31 049	29 134	14 466	111 229	5 365	20 996	137 590	22 495	130 602
Aug.	63 398	31 479	29 648	14 406	112 850	5 345	20 736	138 931	22 460	132 019
Sept.	64 225	31 820	30 077	14 562	114 602	5 401	20 681	140 684	22 238	132 660
Oct.	64 242	32 223	30 465	14 536	116 239	5 398	19 829	141 466	22 832	134 162
Nov.	64 911	32 478	30 810	14 687	117 443	5 697	19 746	142 886	22 426	135 800
Dec.	65 965	32 705	31 164	14 686	118 924	5 233	20 363	144 520	24 945	141 658

1985*

Jan.	68 756	33 087	31 445	15 369	120 263	6 014	22 380	148 657	23 357	143 069
Feb.	71 757	33 384	31 707	15 327	121 848	6 099	24 228	152 175	22 617	145 403
March	72 453	33 564	31 988	15 565	123 188	6 305	24 077	153 570	22 152	145 638



STATE FINANCES

Mill. FIM

Revenue	Jan.-Feb.		Expenditure	Jan.-Feb.	
	1984	1985		1984	1985
Income and wealth tax (net)	3 122	3 377	Wages, salaries, pensions etc.	1 979	2 129
Gross receipts	8 881	9 688	Repair and maintenance	226	205
Refunds & local authorities	-5 759	-6 311	Other consumption expenditure	1 544	1 435
Other taxes on income and wealth	86	94	Total consumption expenditure	3 749	3 769
Employers' child allowance payments	1	87	State aid to local authorities	2 701	2 640
Sales tax	3 723	3 834	State aid to industries	1 718	1 990
of which: agric. price subsidies			Child allowances	573	606
Customs duties and import charges and levies	237	252	Share in national pensions and sickness insurance schemes	467	398
Excise duties	1 516	1 780	Deficit of State enterprises	233	249
Excise duty on alcoholic bevs.	452	459	Other transfer expenditure	1 917	1 873
Excise duty on tobacco	268	370	Total transfer expenditure	7 609	7 756
Excise duty on liquid fuel	599	674	Machinery and equipment	282	341
Other excise duties	197	277	Construction of buildings	148	138
Tax on autom. and motor-cycles	371	375	Land and waterway construction	314	284
Stamp duties	321	390	Total real investment	744	763
Special diesel etc. vehicles tax	62	66	Interest on State debt	795	891
Other taxes and similar revenue	236	269	Other expenditure	1	2
Total taxes	9 675	10 524	Total other expenditure	796	893
Miscellaneous revenue	904	815	Increase in inventories	-47	-30
Interest, dividends etc.	87	173	Lending	532	464
Surplus of state enterprises	338	460	Other financial investment	151	195
Redemptions of loans granted	72	85	Total expenditure	13 534	13 810
Total revenue	11 076	12 057	Redemption of foreign loans	594	73
Foreign borrowing	683	747	Redemption of domestic loans	895	837
Domestic borrowing	1 343	1 531	Total redemptions	1 489	910
Total borrowing	2 026	2 278			
Deficit (+) or surplus (-)	1 921	385			
Total	15 023	14 720	Total	15 023	14 720

State debt	1983	1984	1985			
	Dec.	Dec.	Jan.	Feb.	March	April
Foreign debt	21 723	24 946	25 493	26 110	25 197	26 076
Long-term debt	16 383	19 057	19 247	19 555	19 606	19 431
Short-term credit	18	266	278	284	284	286
Domestic debt	16 401	19 323	19 525	19 839	19 890	19 717
Total State debt	38 124	44 269	45 018	45 949	45 087	45 793
Total debt mill. \$	6 506	6 855	6 780	6 705	6 571	7 105

FOREIGN TRADE

Mill. FIM

Value, mill. FIM

Period	Value, mill. FIM		
	Exports f.o.b	Imports c.i.f.	Surplus of exports (+) or imports (-)
	1	2	3
1980	52 795	58 250	-5 455
1981	60 308	61 269	-961
1982	63 026	64 751	-1 725
1983	69 692	71 528	-1 836
1984	80 904	74 682	+6 222

1984

July	6 432	7 192	-760
Aug.	6 065	6 128	-63
Sept.	6 954	5 904	+1 050
Oct.	7 735	6 756	+979
Nov.	7 286	6 380	+906
Dec.	6 884	6 622	+262

1985*

Jan.	6 906	7 083	-177
Feb.	6 588	4 783	+1 805
March	6 623	6 940	-317

Jan.-March

1984	19 772	16 958	+2 814
1985*	20 117	18 806	+1 311

Indices of exports and imports
1980 = 100

Period	Indices of exports and imports 1980 = 100				Terms of trade
	Volume		Unit value		
	Exports	Imports	Exports	Imports	
	1	2	3	4	5
1980	100	100	100	100	100
1981	103	94	111	112	99
1982	100	95	119	117	101
1983	104	98	127	125	101
1984	114	98	134	131	102

1983

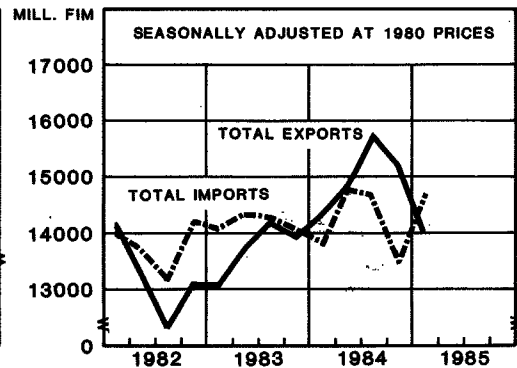
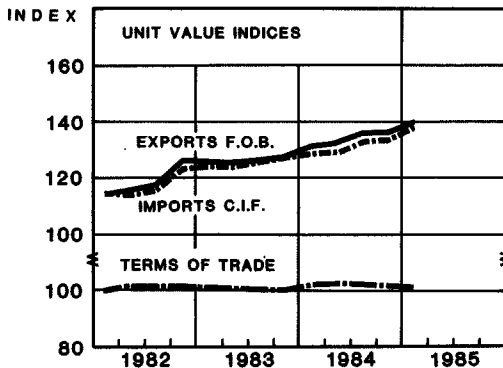
Jan.-March	101	90	126	125	101
Apr.-June	103	95	126	124	101
July-Sept.	97	97	127	127	100
Oct.-Dec.	115	108	128	128	100

1984

Jan.-March	114	90	132	129	102
Apr.-June	113	99	133	130	102
July-Sept.	108	99	137	133	103
Oct.-Dec.	121	101	137	134	102

1985*

Jan.-March	108	93	140	138	101
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FOREIGN TRADE BY MAIN GROUPS

Mill. FIM

Period	Exports, f.o.b.					Imports, c.i.f.				
	Agricultural and other primary products	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and intermediate goods	Fuels and lubricants	Finished goods		Other goods
								Investment goods	Consumer goods	
1	2	3	4	5	6	7	8	9	10	
1980	1 403	7 742	15 751	11 546	16 353	38 622	4 088	7 989	7 440	111
1981	2 036	6 852	17 127	14 858	19 435	39 156	5 115	8 877	8 015	106
1982	1 676	6 278	17 502	18 908	18 662	41 144	4 869	9 195	9 130	413
1983	1 723	6 944	19 327	20 211	21 487	44 757	5 006	10 860	10 572	333
1984	2 865	7 145	23 573	22 998	24 323	47 028	5 034	10 993	11 454	173

1984

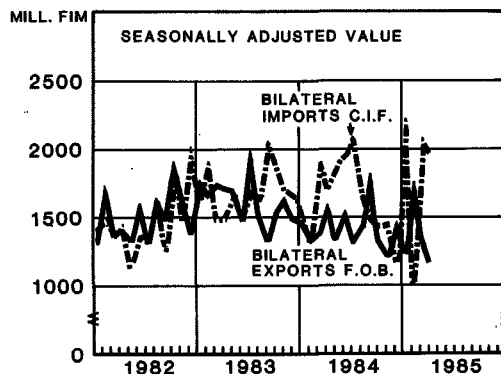
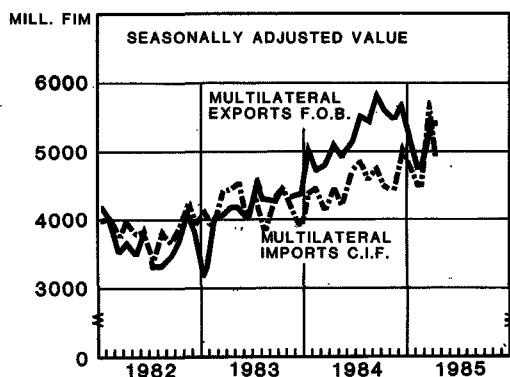
July	332	554	1 765	2 014	1 767	4 880	565	852	878	17
Aug.	173	560	2 292	1 238	1 802	3 894	473	832	916	13
Sept.	144	661	2 029	2 003	2 117	3 666	480	783	972	3
Oct.	180	674	2 209	2 662	2 010	4 175	538	958	1 075	10
Nov.	151	584	2 165	2 349	2 037	3 946	483	958	982	11
Dec.	229	604	2 020	1 531	2 500	4 319	227	1 059	1 006	11

1985*

Jan.	282	622	2 050	1 835	2 117	4 740	273	876	1 013	181
Feb.	393	483	1 992	1 860	1 860	2 736	218	788	1 025	16
March	295	465	2 166	1 586	2 111	4 247	248	1 082	1 214	149

Jan.—March

1984	910	1 668	5 318	5 957	5 919	10 108	1 019	2 810	2 936	85
1985*	970	1 570	6 208	5 281	6 088	11 723	739	2 746	3 252	346



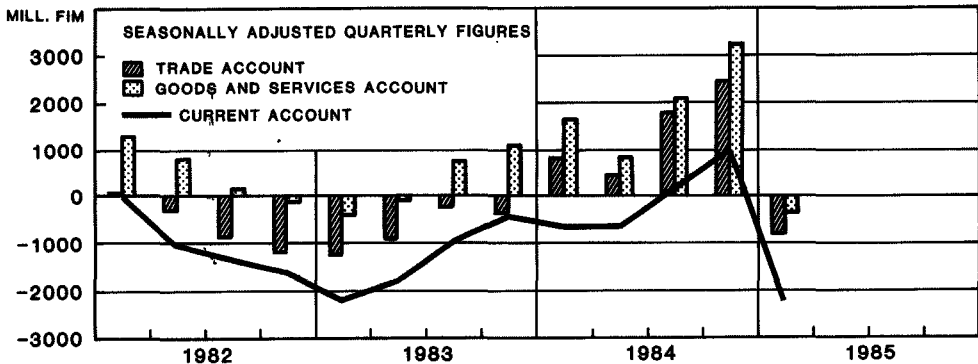
FOREIGN TRADE BY COUNTRIES

Mill. FIM

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January–March				January–March			
	1984*		1985*		1984*		1985*	
	%	Mill. FIM	%	Mill. FIM	%	Mill. FIM	%	Mill. FIM
OECD countries in Europe	57.9	11 440	57.4	11 537	59.5	10 097	59.3	11 156
Austria	0.6	125	0.7	141	1.2	203	1.2	219
Belgium and Luxembourg	1.4	269	1.6	323	2.2	368	2.0	382
Denmark	4.3	853	4.1	824	2.6	448	2.5	463
France	4.2	833	4.6	930	3.4	582	3.6	681
Federal Republic of Germany	10.4	2 048	9.3	1 864	15.1	2 563	15.5	2 913
Italy	2.1	425	2.2	434	3.5	597	3.4	633
Netherlands	3.4	673	3.4	686	2.9	486	2.6	498
Norway	5.9	1 155	3.6	720	2.3	396	3.6	681
Portugal	0.2	43	0.3	55	0.8	141	0.8	153
Spain	0.7	127	0.8	155	0.9	155	1.1	207
Sweden	12.2	2 406	12.9	2 593	14.9	2 521	12.4	2 325
Switzerland	1.2	245	1.5	303	1.8	297	1.6	311
United Kingdom	10.0	1 980	11.0	2 216	7.2	1 216	8.2	1 535
Other	1.3	258	1.4	293	0.7	124	0.8	155
OECD countries outside Europe	11.9	2 361	11.5	2 332	12.0	2 029	11.8	2 215
Canada	0.7	137	1.4	289	0.7	119	0.7	135
Japan	1.4	278	1.8	371	5.7	967	5.6	1 049
United States	8.8	1 749	7.0	1 404	5.3	892	5.2	985
Other	1.0	197	1.3	268	0.3	51	0.3	46
CMEA countries	20.9	4 137	20.6	4 135	22.1	3 749	21.5	4 049
Czechoslovakia	0.4	81	0.4	72	0.5	82	0.4	81
German Democratic Republic	0.4	85	0.6	121	0.5	94	0.5	88
Poland	0.3	56	0.6	115	1.0	168	1.3	246
Soviet Union	19.3	3 817	18.3	3 681	19.6	3 317	18.7	3 517
Other	0.5	98	0.7	146	0.5	88	0.6	117
Latin America	0.8	159	1.2	248	2.6	437	2.2	422
Argentina	0.1	16	0.1	17	0.1	15	0.1	21
Brazil	0.2	34	0.1	29	1.1	183	0.8	152
Colombia	0.1	24	0.2	32	0.6	101	0.6	110
Other	0.4	85	0.8	170	0.8	138	0.7	139
Other	8.5	1 675	9.3	1 865	3.8	646	5.2	965
GRAND TOTAL	100.0	19 772	100.0	20 117	100.0	16 958	100.0	18 807
of which								
EFTA countries	20.2	3 997	19.1	3 852	21.2	3 596	19.8	3 726
EEC countries	36.9	7 295	37.3	7 498	37.4	6 338	38.4	7 213
OECD countries	69.8	13 801	68.9	13 869	71.5	12 126	71.1	13 371

BALANCE OF PAYMENTS

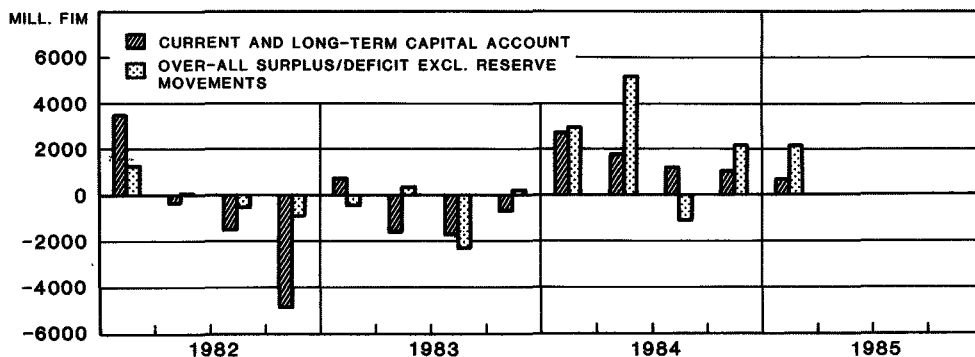
Period	Exports f.o.b.	Imports c.i.f.	Trade account (1-2)	Transport, net	Travel, net	Other services, net	Goods and services account (3 to 6)	Invest- ment income, net	Un- requited transfers, net	Other, net	Current account (7 to 10)
	1	2	3	4	5	6	7	8	9	10	11
1981	60 243	61 703	-1 460	+3 088	+405	+1 049	+3 082	-4 423	-498	+107	-1 732
1982	62 867	65 147	-2 280	+2 856	-277	+1 732	+2 031	-5 447	-643	+161	-3 898
1983	69 368	72 139	-2 771	+3 200	-748	+1 610	+1 291	-5 817	-797	+96	-5 227
1984*	80 607	75 099	+5 508	+3 919	-1 212	-163	+8 052	-6 781	-997	-274	0
1982											
Apr.-June	15 577	15 376	+201	+700	-83	+451	+1 269	-1 682	-167	+50	-530
July-Sept.	13 308	15 419	-2 111	+789	+151	+478	-693	-1 359	-139	+75	-2 116
Oct.-Dec.	17 904	19 494	-1 590	+668	-191	+319	-794	-1 328	-150	+42	-2 230
1983											
Jan.-March	16 740	16 469	+271	+744	-292	+142	+865	-1 557	-243	+5	-930
Apr.-June	17 098	17 538	-440	+753	-229	+288	+372	-1 492	-176	+42	-1 254
July-Sept.	16 180	17 970	-1 790	+888	+45	+487	-370	-1 463	-174	+53	-1 954
Oct.-Dec.	19 350	20 162	-812	+815	-272	+693	+424	-1 305	-204	-4	-1 089
1984*											
Jan.-March	19 678	17 066	+2 612	+967	-370	-61	+3 148	-2 010	-272	-72	+794
Apr.-June	19 701	18 846	+855	+984	-326	-181	+1 332	-1 219	-190	-44	-121
July-Sept.	19 395	19 324	+71	+1 105	-123	-104	+949	-1 593	-267	-51	-962
Oct.-Dec.	21 833	19 863	+1 970	+863	-393	+183	+2 623	-1 959	-268	-107	+289
1985*											
Jan.-March	20 087	18 939	+1 148	+899	-481	-140	+1 426	-1 532	-356	-133	-595



Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net	Long-term capital account (12 to 15)	Current and long-term capital account (11 + 16)	Prepayments and liabilities related to imports	Prepayments and receivables related to exports	Short-term capital of authorized banks, net	Miscellaneous, short-term capital items, incl. errors and omissions	Over-all surplus deficit excl. reserve movements (17 to 21)	Bank of Finland foreign exchange reserves
12	13	14	15	16	17	18	19	20	21	22	23
+8 312	-4 643	-518	-826	+2 325	+593	-148	+723	-421	+1 056 ¹	+1 803	-1 803
+10 213	-4 721	-1 239	-3 642	+611	-3 287	-914	+771	+1 493	+1 811	-126	+126
+10 112	-7 273	+423	-1 388	+1 874	-3 353	+3 273	-3 380	+1 266	+32	-2 162	+2 162
+14 087	-7 538	-1 682	+1 428	+6 295	+6 295	+695	+3 308	+2 086	-3 109	+9 275	-9 275
+2 332	-1 555	-328	-301	+148	-382	+367	+581	-171	-350	+45	-45
+1 859	-883	-127	-246	+603	-1 513	-277	-143	-520	+1 909	-544	+544
+2 385	-1 477	-670	-2 930	-2 692	-4 922	-328	-429	+3 701	+1 039	-939	+939
+2 985	-1 271	+100	-182	+1 632	+702	-115	+654	-1 220	-503	-482	+482
+2 435	-2 895	+273	-204	-391	-1 645	+1 261	-343	+699	+425	+397	-397
+1 479	-1 269	+142	-129	+223	-1 731	+1 197	-1 662	-593	+476	-2 313	+2 313
+3 213	-1 838	-92	-873	+410	-679	+930	-2 029	+2 380	-366	+236	-236
+4 075	-1 887	-235	-47	+1 906	+2 700	-1 002	+1 135	+2 443	-2 290	+2 986	-2 986
+3 858	-2 351	+89	+276	+1 872	+1 751	+1 087	+162	+2 531	-309	+5 222	-5 222
+2 495	-1 185	-603	+1 475	+2 182	+1 220	+332	+6	-2 186	-512	-1 140	+1 140
+3 659	-2 115	-933	-276	+335	+624	+278	+2 005	-702	+2	+2 207	-2 207
+2 977	-1 738	+124	-49	+1 314	+719	+608	+329	+2 071	-1 574	+2 153	-2 153

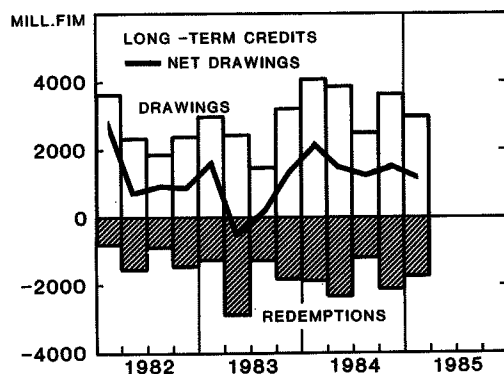
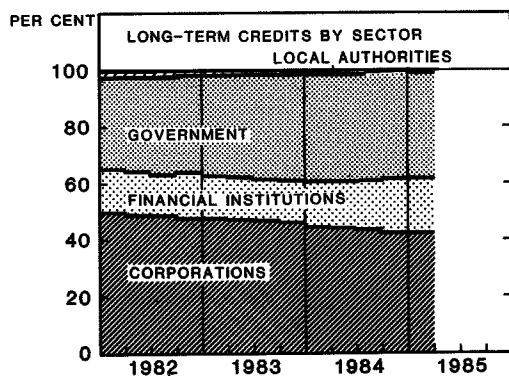
Assets: increase -, decrease +. Liabilities: increase +, decrease -

¹ Including allocations of special drawing rights: 133 million in 1980 and 131 million in 1981.

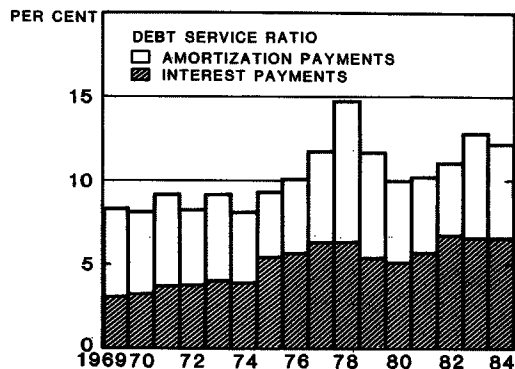
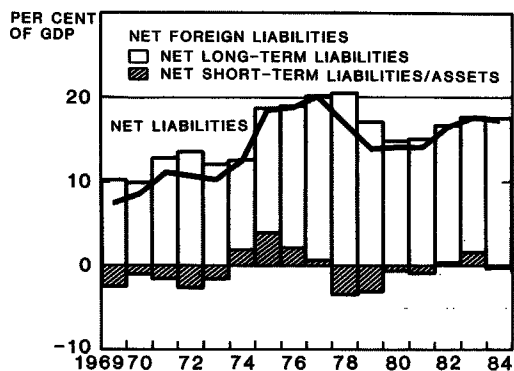


FINLAND'S FOREIGN ASSETS AND LIABILITIES

End of year and month	Long-term assets				Long-term liabilities						Net long-term liabilities (10-4)
	Export credits	Direct investment	Other	Total (1 to 3)	Financial loans	Import credits	Direct investment	Portfolio investment	Other	Total (5 to 9)	
	1	2	3	4	5	6	7	8	9	10	
1981	4 673	3 426	1 317	9 416	35 536	4 444	2 183	..	391	42 554	33 138
1982	6 628	4 626	3 796	15 050	47 547	4 608	2 223	..	752	55 130	40 080
1983	6 612	6 166	3 932	16 710	53 118	4 472	2 317	848	763	61 518	44 808
1984*	8 920	8 689	1 915	19 524	63 958	3 865	2 646	2 013	805	73 287	53 763
1982											
June	5 361	3 741	1 471	10 573	39 847	4 456	2 313	..	696	47 312	36 739
Sept.	5 556	4 084	1 466	11 106	41 198	4 515	2 345	..	687	48 745	37 639
Dec.	6 628	4 626	3 796	15 050	47 547	4 608	2 223	..	752	55 130	40 080
1983											
March	6 672	5 003	3 892	15 567	49 897	4 759	2 288	..	846	57 790	42 223
June	6 458	4 998	3 956	15 412	49 921	4 462	2 306	..	812	57 501	42 089
Sept.	6 411	5 392	3 935	15 738	50 705	4 566	2 303	..	798	58 372	42 634
Dec.	6 612	6 166	3 932	16 710	53 118	4 472	2 317	848	763	61 518	44 808
1984*											
March	6 658	6 687	3 539	16 884	54 014	4 225	2 354	987	731	62 311	45 427
June	6 827	7 435	3 230	17 492	57 198	3 937	2 393	1 640	729	65 897	48 405
Sept.	7 767	7 834	1 839	17 440	60 497	3 951	2 410	1 957	834	69 649	52 209
Dec.	8 920	8 689	1 915	19 524	63 958	3 865	2 646	2 013	805	73 287	53 763
1985*											
March	8 676	9 408	2 071	20 155	64 798	3 616	2 631	2 900	778	74 723	54 568



Short-term assets				Short-term liabilities				Net short-term liabilities (19-15)	Net liabilities (11+20)	Debt service, flow	Of which amortization payments, flow
Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (12 to 14)	Bank of Finland	Authorized banks and other foreign exchange holders	Corporate sector	Total (16 to 18)				
12	13	14	15	16	17	18	19	20	21	22	23
11 362	13 781	14 176	39 319	2 427	20 218	14 743	37 388	-1 931	31 207	7 994	3 494
12 737	22 899	13 858	49 494	5 348	31 331	13 782	50 461	967	41 047	9 069	3 464
11 842	29 263	15 915	57 020	5 705	39 443	16 180	61 328	4 308	49 116	11 591	5 621
22 912	43 319	12 491	78 722	4 562	55 695	17 922	78 179	-543	53 220	12 878	5 896
12 846	14 641	13 536	41 023	3 077	19 349	15 048	37 474	-3 549	33 190	2 730	1 017
12 456	17 474	13 531	43 461	4 097	21 737	14 859	40 693	-2 768	34 871	2 040	662
12 737	22 899	13 858	49 494	5 348	31 331	13 782	50 461	967	41 047	2 542	1 185
12 365	22 166	14 580	49 111	4 637	29 530	15 112	49 279	168	42 391	2 535	942
12 905	23 008	14 878	50 791	4 705	31 137	16 563	52 405	1 614	43 703	3 788	2 243
10 556	23 605	15 681	49 842	4 737	31 289	16 805	52 831	2 989	45 623	2 542	1 049
11 842	29 263	15 915	57 020	5 705	39 443	16 180	61 328	4 308	49 116	2 726	1 387
14 740	25 724	15 522	55 986	3 657	37 966	15 617	57 240	1 254	46 681	3 523	1 452
20 705	31 935	15 083	67 723	3 775	47 084	16 884	67 743	20	48 425	3 260	1 987
21 064	34 621	14 700	70 385	4 815	47 882	17 388	70 085	-300	51 909	2 448	821
22 912	43 319	12 491	78 722	4 562	55 695	17 922	78 179	-543	53 220	3 647	1 636
24 785	44 761	12 369	81 915	4 535	59 208	18 417	82 160	245	54 813	3 238	1 689



PRICE INDICES

Period	Wholesale price index 1949 = 100	Basic price index for domestic supply 1980 = 100						Building costs 1980 = 100		
		Total	Origin		Purpose			Total	Wages in building trade	Building materials
			Domestic goods	Imported goods	Raw materials	Consumer goods	Investment goods			
	1	2	3	4	5	6	7	8	9	10
1983	1 189	127.6	128.8	124.2	125.9	130.8	128.5	128.7	124.4	129.3
1984	1 261	134.5	135.9	130.0	132.6	137.5	135.8	136.6	133.7	136.1
1984										
Sept.	1 277	135.9	137.5	131.1	134.1	138.9	137.2	137.8	135.9	137.1
Oct.	1 289	137.1	138.6	132.4	135.9	139.5	137.4	138.2	136.1	137.6
Nov.	1 291	137.4	139.2	131.7	136.1	139.9	137.8	138.8	136.3	138.2
Dec.	1 298	138.1	139.7	133.4	137.1	140.4	138.2	139.0	136.5	138.3
1985										
Jan.	1 308	139.2	140.5	135.1	137.8	142.7	138.5	140.0	137.8	139.1
Feb.	1 321	140.4	141.5	137.0	139.5	143.3	139.4	140.8	138.0	140.1
March	1 332	141.4	142.2	138.9	140.6	144.6	139.9	143.3	144.0	141.8
April	1 334	141.5	143.4	135.6	139.8	145.2	141.5	144.1	145.1	142.5

Period	Consumer prices 1981 = 100									
	Total	Food	Beverages and tobacco	Clothing and footwear	Rent, heating and lighting	Household goods and services	Health and medical services	Transport and communication	Education and recreation	Other goods and services
	1	2	3	4	5	6	7	8	9	10
1983	118.7	120.0	125.1	112.8	118.4	114.3	126.6	117.4	116.9	120.7
1984	127.1	129.1	132.5	119.4	124.5	123.0	145.2	125.4	126.4	130.8
1984										
Sept.	129.0	132.6	132.7	121.1	126.3	124.5	148.1	126.4	128.1	132.3
Oct.	129.6	133.7	132.8	123.0	126.3	125.2	148.7	127.4	128.2	132.9
Nov.	129.7	133.4	133.0	123.4	126.3	125.9	149.4	127.1	128.6	133.3
Dec.	129.8	132.6	133.1	123.4	126.4	126.2	149.4	128.0	128.8	133.7
1985										
Jan.	131.2	133.7	139.6	119.4	126.9	126.6	153.6	129.2	130.3	137.7
Feb.	131.7	134.9	139.7	121.4	126.9	127.4	153.6	129.7	130.2	137.9
March	133.0	137.9	139.7	123.7	127.2	128.0	153.6	131.5	130.7	138.2
April	133.7	139.3	139.7	125.9	127.2	128.5	153.6	132.2	131.2	138.9

WAGES

Index of wage and salary earnings 1980 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			Employees in services	State employees	Municipal employees				Employees in private sector
	Agriculture	Industry	Construction							
1	2	3	4	5	6	7	8	9	10	
1982	124.1	125.1	124.3	124.8	123.8	125.5	124.8	124.9	124.6	124.8
1983	132.1	137.3	138.2	138.8	137.3	140.0	137.4	138.4	136.9	137.8
1984*	148.5	149.9	152.7	152.1	146.4	154.7	150.5	151.2	149.7	150.7
1984*										
Jan.-March	141.4	143.7	148.9	148.3	143.9	151.2	144.5	146.6	143.8	145.6
Apr.-June	147.2	152.2	151.1	152.5	146.8	155.1	151.2	151.6	150.8	151.3
July-Sept.	150.9	151.1	153.0	153.3	146.8	155.9	152.0	152.6	150.8	152.0
Oct.-Dec.	154.6	152.7	158.0	154.5	148.2	156.6	154.2	154.1	153.4	153.8
1985*										
Jan.-March	160.6	155.6	161.1	159.6	153.1	162.5	156.9	158.0	156.4	157.4

PRODUCTION

Volume indices of production 1980 = 100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communication	Commerce	Public sector services	Others
1982										
Oct.-Dec.	115	111	85	110	144	110	116	121	111	116
1983*										
Jan.-March	101	103	74	99	83	95	97	95	111	108
Apr.-June	107	112	80	90	91	104	105	109	111	115
July-Sept.	107	99	206	41	119	104	108	105	112	112
Oct.-Dec.	117	116	88	101	148	104	123	117	114	120
1984*										
Jan.-March	104	110	75	90	82	92	105	98	114	112
Apr.-June	109	113	82	92	84	103	112	107	114	119
July-Sept.	109	101	197	47	113	103	110	110	116	117
Oct.-Dec.	121	121	93	123	140	104	125	119	117	125

PRODUCTION

Index of industrial production 1980 = 100

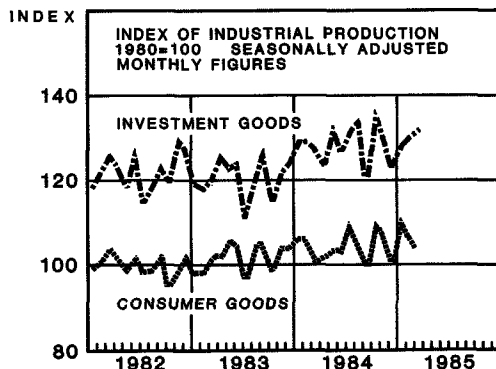
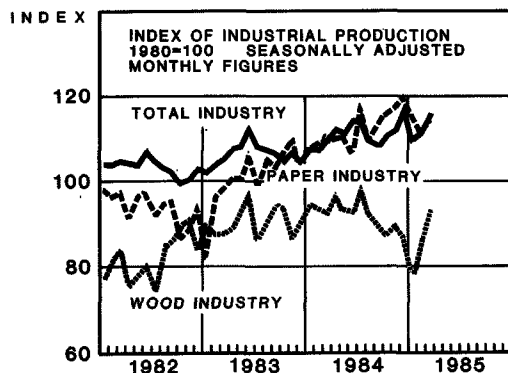
Period	Total	Investment goods	Consumer goods	Other producer goods	Special indices of manufacturing						Total adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industries	Non-metallic mineral industry	Metal industry	
	1	2	3	4	5	6	7	8	9	10	11
1982*	103.7	121.0	103.4	100.6	106.4	83.5	96.1	98.8	110.0	114.0	103.8
1983*	106.9	121.2	102.4	106.4	108.6	91.0	102.2	105.1	117.3	114.5	106.9
1984*	111.3	129.2	105.0	111.1	108.3	92.3	113.0	109.6	107.8	120.8	111.6

1984*

March	116.6	139.1	108.6	116.4	99.9	100.9	116.3	120.4	111.5	127.5	110.5
April	107.8	132.1	100.5	106.8	95.4	102.2	102.9	116.3	96.2	121.6	112.7
May	121.8	158.5	110.9	120.4	114.0	118.2	120.5	118.1	116.4	144.1	111.8
June	110.0	144.5	101.5	107.9	103.6	103.1	91.5	105.3	114.7	128.2	114.7
July	74.9	54.7	71.9	79.8	97.2	41.7	124.2	70.9	62.1	56.0	114.5
Aug.	114.7	131.5	108.7	114.5	114.3	90.5	117.5	112.2	124.7	122.7	109.7
Sept.	110.5	127.3	102.0	111.5	105.6	99.6	111.3	112.2	127.7	120.6	108.6
Oct.	126.3	145.0	122.4	124.7	140.4	104.6	124.2	121.4	135.8	137.9	111.3
Nov.	124.2	144.5	121.7	121.6	132.1	94.9	123.0	120.7	116.6	136.8	111.9
Dec.	104.4	122.7	98.4	104.0	102.4	65.3	109.5	102.5	94.3	116.6	117.6

1985*

Jan.	117.1	131.4	114.6	115.7	101.9	78.3	117.9	107.7	109.3	126.4	110.1
Feb.	108.3	128.1	103.2	107.2	87.5	78.2	109.4	106.0	87.1	119.5	112.3
March	119.1	143.9	110.7	118.6	101.4	98.4	122.1	121.8	111.8	131.6	115.9



LABOUR – TIMBER FELLINGS – INTERNAL TRADE

Period	Population of working age, 1 000 persons	Total labour force, 1 000 persons	Employed, 1 000 persons	Un-employed, 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings, 1 000 solid cu. m	Retail sales volume index 1980 = 100	Wholesale volume index 1980 = 100
	1	2	3	4	5	6	7	8
1983	3 681	2 546	2 390	156	6.1	39 324	107	110
1984*	3 700	2 572	2 413	158	6.2	41 288	109	109
1984*								
Feb.	3 700	2 498	2 329	169	6.8	4 209	95	101
March	3 694	2 520	2 353	168	6.6	4 734	105	111
April	3 693	2 523	2 356	167	6.6	4 207	101	98
May	3 697	2 579	2 438	140	5.4	3 734	113	120
June	3 695	2 745	2 570	175	6.4	2 664	115	106
July	3 700	2 761	2 614	146	5.3	1 323	113	93
Aug.	3 700	2 598	2 454	145	5.6	1 649	113	119
Sept.	3 703	2 549	2 395	153	6.0	2 353	105	116
Oct.	3 706	2 520	2 370	150	6.0	3 561	114	121
Nov.	3 704	2 517	2 358	159	6.3	4 269	111	117
Dec.	3 705	2 544	2 386	158	6.2	5 134	130	113
1985*								
Jan.	3 706	2 531	2 360	171	6.8	4 241	99	103
Feb.	3 707	2 534	2 363	171	6.7	4 581	97	101
March	3 706	2 528	2 355	173	6.8	6 031

CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building-works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
	Million cubic metres										
	1	2	3	4	5	6	7	8	9	10	11
1983	51.78	19.66	6.44	22.03	3.65	47.37	18.43	5.92	19.46	3.55	51.44
1984*	49.40	19.87	5.63	17.24	3.12	43.25	17.35	4.97	15.44	2.74	52.56
1983											
July-Sept.	14.22	4.23	1.07	8.01	0.91	11.06	3.96	1.86	4.28	0.96	58.14
Oct.-Dec.	8.59	3.31	0.95	3.31	1.02	15.46	6.12	2.07	6.24	1.02	51.44
1984*											
Jan.-March	9.11	3.83	1.12	3.08	0.61	8.72	3.72	0.71	3.08	0.62	47.01
Apr.-June	16.19	7.21	2.35	4.67	0.73	8.64	3.53	0.55	3.57	0.51	53.65
July-Sept.	12.85	4.82	1.26	4.67	1.04	9.61	3.61	1.64	2.74	0.90	55.96
Oct.-Dec.	9.98	3.40	0.81	4.43	0.69	13.75	5.64	1.88	4.79	0.58	52.56

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

Page 4. *Public sector*: Claims = Government promissory notes + Bonds + Total coinage + Other claims on the public sector. Other liabilities = Cheque accounts + Counter cyclical reserves + Counter-cyclical deposits + Capital import deposits + Other liabilities to the public sector. Certificates of deposit are interest bearing, freely transferable term liabilities of the Bank of Finland sold to the government. Their maturities range from one week to one year. As from November 1, 1983, certificates of deposit were replaced by the government deposit account.

Page 5. *Domestic financial sector*: Other liabilities, net = Capital import deposits + Other liabilities to financial institutions — Bonds — Other claims on financial institutions.

Corporate sector: Permanent special financing schemes = Foreign bills + New export bills + Financing of suppliers' credits. Liabilities, net = Deposits for investment and ship purchase + Counter-cyclical withholdings + Capital import deposits + Import levy deposits + Export deposits + Other liabilities to corporations — Bonds — Other claims on corporations.

MONETARY POLICY INDICATORS

Page 6. All the figures except the average lending rate of the commercial banks are mean values of daily figures for the month or year in question. The average lending rate of the commercial banks is the mean value of the end of the month lending rates weighted by credit outstanding. The annual figure for the average lending rate is an unweighted average of the weighted average monthly rates.

Gross central bank debt of the deposit banks = The commercial banks' and Postipankki's cheque account overdrafts + Call money credit. Prior to January 1984 the average monthly amount of cheque account overdrafts at base rate was restricted by the quota granted to each bank. The banks could obtain central bank credit in excess of the quota by borrowing on the Bank of Finland's call money market. As from January 1984, the quotas were abolished and the only source of central bank debt is now the call money market. There is no longer any absolute ceiling on call money credit. However, banks' borrowing is monitored and a bank whose borrowing exceeds a certain limit comes under the special surveillance of the central bank. The interest charged on call money credit, the call money rate, is adjusted by the central bank in line with monetary policy objectives at the time.

Net central bank debt of the deposit banks = Gross central bank debt of the deposit banks — The commercial banks' and Postipankki's deposits on the call money market — All deposit banks' cash reserve deposits at the Bank of Finland.

Cash reserve deposits of the deposit banks equal the total amount of cash reserve deposits at the Bank of Finland made by the deposit banks under the Cash Reserve Agreement of March 8, 1983. The deposit banks consist of the commercial banks, co-operative banks, savings banks and Postipankki.

The cash reserve requirement is set each month by the Bank of Finland as the percentage of each bank's stock of deposits which must be deposited at the central bank. Deposits are to be made one month after the close of the month to which the coefficient applies.

Call money credit extended by the Bank of Finland = Demand for call money by the deposit banks — Supply of call money by the deposit banks.

Average cost of gross central bank debt = Costs of borrowing paid to the Bank of Finland by the deposit banks, as a percentage of their gross central bank debt, per annum.

FORWARD EXCHANGE MARKETS IN FINLAND

Page 7. The figures for columns 1—6 are calculated by the Bank of Finland on the basis of monthly reports from the banks on their outstanding forward exchange positions at the end of each month. The figures for columns 7—9 are based on monthly averages of daily representative quotations, as reported by the banks to the Bank of Finland.

The banks' foreign currency positions shown in the chart at the bottom of page 7 are monthly averages of daily spot and forward positions vis-à-vis the markka as reported by the commercial banks to the Bank of Finland. The spot position includes all foreign currency-denominated assets and liabilities of the banks, excluding their outstanding forward contracts.

FOREIGN EXCHANGE RATES

Pages 8—9. *Exchange rates* are annual and monthly averages of the Bank of Finland's daily quotations. *Currency index* is annual and monthly average of daily index numbers. The chart at the bottom of page 8 shows the banks' forward selling rates for the US dollar as deviations from the spot rate.

DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC — MONEY SUPPLY

Figures for deposits and advances are supplied by the Central Statistical Office.

Page 10. *Deposits by the public*. The central government and the financial institutions are mainly excluded from the public. From 1974 deposits include domestic deposits denominated in foreign currency.

Page 11. *Advances to the public*. The central government and the financial institutions are not included in the public.

Postipankki's advances do not include loans granted by the State Investment Fund (INRA). Domestic credits in foreign currency are mainly granted by the commercial banks and the rest by Postipankki.

Money Supply M₁ = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Demand deposits held by the public (incl. Demand deposits at the Bank of Finland). Quasi-Money = Time deposits held by the public (incl. Time deposits at the Bank of Finland).

Note: Domestic deposits in foreign currency included in money supply since 1974. In the money supply the public includes non-monetary financial institutions.

STATE FINANCES

Page 12. Official figures computed by the Economics Department of the Ministry of Finance. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis.

FOREIGN TRADE

Pages 13—15. Figures supplied by the Board of Customs. *Indices* (p. 13): The volume indices are calculated according to the Paasche formula and the unit value indices according to the Laspeyres formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries*: (p. 15): from January 1980 imports by countries of origin, exports by countries of consignment.

BALANCE OF PAYMENTS

Pages 16—17. Figures are calculated by the Bank of Finland.

Columns 1—7. The figures for the trade and goods and services accounts are in accordance with the System of National Accounts.

Columns 12—13. Long-term loans comprise financial loans and import and leasing credits.

Column 15. Miscellaneous long-term capital items, net = direct investment, net + portfolio investment by foreigners + financial loans and development credits to abroad + Finland's subscriptions to international financial institutions, net.

Column 23. Changes in the foreign exchange reserves of the Bank of Finland exclude changes in the markka value of the reserves caused by changes in exchange rates.

FOREIGN ASSETS AND LIABILITIES

Pages 18—19. Figures calculated by the Bank of Finland.

Long-term assets: Other = financial loans + development credits + Finland's subscriptions to international financial institutions. Long-term liabilities: Portfolio investment = the outstanding amount of share issues by Finnish companies on foreign stock exchanges and of securities sold to foreign buyers through the Helsinki Stock Exchange. Other = Leasing credits + subscriptions to international financial institutions paid in the form of bonds.

Column 22. Debt service = Net investment income of short-term and long-term assets and liabilities + net amortisation payment of long-term foreign assets and liabilities, excl. amortisation payments of the Bank of Finland's reserve and oil credits.

Columns 22 and 23 during the year and the quarter.

Chart Debt service ratio: Debt service as a per cent of current account earnings. Debt service does not include amortisation of the Bank of Finland's reserve and oil credits.

PRICE INDICES

Page 20. All indices calculated by the Central Statistical Office.

WAGES — PRODUCTION

Pages 21—22. Figures supplied by the Central Statistical Office.

Page 22. *Index of industrial production* calculated by the Central Statistical Office. The grouping, by branches of industry is in accordance with the Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II.

LABOUR — TIMBER FELLINGS — INTERNAL TRADE — CONSTRUCTION OF BUILDINGS

Page 23. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Forest Research Institute. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

SYMBOLS USED: * Preliminary, r Revised, 0 Less than half the final digit shown, . Logically impossible, . . Not available, — Nil, S affected by strike, — Break in series.

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1 155 to 1 809 Finland formed a part of the kingdom of Sweden. Connected from 1 809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current term, January 27, 1982, to March 1, 1988, is Mauno Koivisto.

Parliament, comprising 200 members is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1983 is as follows: Social Democratic Party of Finland 57, National Coalition Party 44, Centre Party 38, Democratic League of the People of Finland 27, Finnish Rural Party 17, Swedish People's Party 11, Christian League of Finland 3, The Greens 2 and Finnish People's Constitutional Party 1.

Finland is divided into 461 self-governing municipalities. Members of the municipal council are elected by universal suffrage for a period of 4 years.

INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966, OECD 1969, IDB 1977 and AfDB 1982.

LAND

THE AREA is 338 000 square kilometres (Great Britain's area is 244 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1980) 2.5 mill. ha (8.2 %) are cultivated and 19.7 mill. ha (64.5 %) are covered by forests.

OWNERSHIP OF LAND (1979). The total land area was distributed among different classes of owners approximately as follows: private 58.7 %, State 31.4 %, joint stock companies etc. 7.4 %, municipalities and parishes 2.5 %.

POPULATION

NUMBER OF INHABITANTS (1983): 4.9 million, Sweden 8.3, Switzerland 6.4, Denmark 5.1, and Norway 4.1 million.

DENSITY OF POPULATION (1983): In South Finland 47.4, in East and Central Finland 14.3, in North Finland 4.2 and in the whole country an average of 16.0 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1983): 40 % of the population inhabit the rural areas, 60 % towns. The largest towns are: Helsinki (Helsingfors), the capital, 484 471 inhabitants, Tampere (Tammerfors) 167 344, Turku (Åbo) 163 002.

EMPLOYMENT (1984): Agriculture and forestry 12 %, industry and construction 33 %, commerce 14 %, transport and communication 7 %, financing, insurance, real estate and business services 6 %, community and personal services 28 %.

LANGUAGE (1983): Finnish speaking 93.6 %, Swedish speaking 6.1 %, others 0.3 %.

EDUCATION (1985): Practically all persons over 15 years of age are literate. There are 8 universities (the oldest founded in 1640) and 12 colleges of university standard.

CHANGE OF POPULATION (1983): births 13.8 ‰, deaths 9.3 ‰, change + 5.8 ‰, net immigration + 1.4 ‰. Deaths in France 10.3 ‰ and Great Britain 11.7 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1983), in million FIM: Gross domestic product at factor cost by industrial origin: agriculture and fishing 11 868 (5 %), forestry 9 007 (4 %), manufacturing 73 782 (30 %), construction 20 442 (8 %), trade, restaurants and hotels 27 803 (11 %), transport and communication 19 129 (8 %), banking and insurance 9 423 (4 %), ownership of dwellings 16 480 (7 %), other services 58 084 (23 %), total 245 998. Index of real domestic product 108 (1980 = 100).

FOREST RESOURCES (1982). The growing stock comprised of 1 658 million m³ (solid volume with bark) of which 45 % was pine and 37 % spruce the remaining 18 % being broad-leaved trees chiefly birch. Of the growing stock 667 million m³ was up to the standard required for logs, 52 % of these being pine. The annual growth was 67 million m³ and the total drain calculated on the basis of roundwood consumption was 48.5 million m³.

AGRICULTURE (1983). Cultivated land 2.4 million hectares. Number of holdings 208 229 of which 146 466 are of more than 5 ha. Measure of self-sufficiency in bread cereals 93 %.

INDUSTRY (1982). Gross value of industrial production FIM 205 471 mill., number of workers 409 499, salaried employees 145 997, motive power 8.2 mill. kW. Index of industrial production 103.6 for 1982 (1980 = 100).

STATE RAILWAYS (Dec. 31, 1984): Length 6 069 km.

MERCHANT FLEET (March 31, 1985): Passenger vessels 160 (225 877 gross reg. tons), tankers 43 (1 005 815 gross reg. tons), dry cargo vessels 163 (804 057 gross reg. tons), other vessels 102 (14 164 gross reg. tons), total 468 (2 049 913 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1984): Passenger cars 1 473 975, lorries and vans 173 784, buses 9 069, others 11 159, total 1 667 987.

FINNISH AIRLINES (Feb. 28, 1985). Finnair has in use 1 DC-8-62, 3 DC-9-10, 5 DC-9-41, 12 DC-9-51, 3 DC-9 Super 82, 3 DC-10-30, 1 DC-10-30 ER and 3 Fokker F-27 Friendship MK. The company has scheduled flights to 34 foreign and 21 domestic destinations.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the markka (plural: markkaa), which is divided into 100 penniä (singular: penni). The abbreviation used for the markka is FIM. The last par value of the markka was set on Oct. 12, 1967 and was 0.21159 grams of fine gold per markka (equivalent, at the time, to 4.20 markkaa per U.S. dollar). Since Nov. 1, 1977 the external value of the markka has been officially expressed in terms of a currency index. This index is tradeweighted and as from Jan. 1, 1984 indicates the average change in the convertible currencies which are important in Finnish foreign trade. The present currency weights are SEK 18.3, DEM 19.4, GBP 15.3, USD 9.6, other currencies 37.4. The permissible range of fluctuation is about 2.25 per cent on either side of the theoretical arithmetic mean. The fluctuation limits are 106.0 and 101.3.

THE CENTRAL BANK. The Bank of Finland (estab. 1811) functions under the guarantee and supervision of Parliament. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by Parliament. The Bank has a head office in Helsinki and 12 branches in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1984). There are two big and eight small commercial banks with in all 942 offices, 263 savings banks, 370 co-operative banks, five mortgage banks, Postipankki and three development credit institutions. The co-operative stores accept deposits from their members. The Social Insurance Institution and 48 private insurance companies also grant credits.

RATES OF INTEREST (Feb. 1, 1985). The Bank of Finland's base rate is 9 %. The interest rates for domestic lending other than bank financing by the Bank of Finland vary between 6 ½ % and 11 ½ %. Other credit institutions: time deposits 4 %; 6 month deposits 6 %; 12 month deposits 7 ½ %; 24 month deposits 8 % and sight deposits 1 % %. The highest lending rate is 13 ½ %.

PUBLIC FINANCE

by Risto Ranki, Lic.Pol.Sc.
Budget Department of the Ministry of Finance

ECONOMIC SITUATION

Economic growth in Finland has been satisfactory during the past six years. Total output was 26 per cent higher in 1984 than in 1978, while in the OECD area output grew by only 13 per cent over the same period. Unemployment is lower than in most western European countries, and the current account is in balance. Inflation, though still somewhat faster than among competitor countries, has slowed down, and the problems in public finance are relatively small.

Variations in the growth rate of activity have been negligible in comparison to past experience: real GDP rose annually by almost 3 per cent in 1982, 1983 and 1984. Economic policy has contributed to stable growth through various measures aimed at smoothing fluctuations in demand and reducing cost pressures.

Output growth is forecast to continue fairly rapid, amounting to over 3 per cent in 1985. A gradual slowdown is expected in 1986 and 1987. The year-on-year increase in consumer prices decelerated to 6 per cent by the end of last year, in line with the official target. For this year, the goal is to limit consumer inflation to 5 per cent in the 12 months to December.

ECONOMIC POLICY

Economic policy has focused on containing inflationary pressures and balancing central government finances in order to increase the scope for fiscal action during the next recessionary phase expected in 1986 or 1987. Appropriations have been kept on a tight rein so as to restrict borrowing. This has made it possible to limit increases in public charges and prices, and thereby to contribute to the

**TABLE 1. ECONOMIC PERFORMANCE AND POLICY
IN 1982 — 1985**

	1982	1983	1984*	1985**
	per cent			
GDP, volume growth	2.8	2.9	2.9	3.5
Change in consumer prices	9.3	8.4	7.1	6.0
Current account in relation to GDP	-1.6	-1.9	0.0	0.0
Unemployment rate	5.9	6.1	6.2	6.0
Impact of fiscal policy on GDP	2.1	0.9	-1.1	-0.5
Gross tax ratio	35.0	34.0	35.9	37.0
Central government expenditure, volume growth	8.1	7.6	2.7	5.0
Central government net financing requirement in relation to GDP	2.0	3.0	1.1	1.0
Financial surplus of general government in relation to GDP	-0.4	-1.5	-0.1	0.5

deceleration of inflation. In addition, personal income tax scales have been adjusted for inflation so as to create conditions conducive to wage restraint. After the expansionary budgets for 1982 and 1983, the stance of fiscal policy shifted in a restrictive direction in 1984. Fiscal policy is also designed to have a restrictive impact this year, equivalent to about 0.5 per cent of GDP as against an estimated 1.1 per cent in 1984. In spite of the reorientation of fiscal policy, the policy stance, as also reflected in the budget deficit and total borrowing figures, is nevertheless not as restrictive as it was some ten years ago, before the present economic policy strategy was adopted.

In local government, spending pressures have, as a rule, been stronger and financing easier than in the central government sector. Since increases in local government outlays automatically lead to higher central government expenditure through the grants-in-aid system, continued efforts have been made to curb the growth of local public services, such as health, education and other social welfare. The final impact of the local government sector has nevertheless remained expansive.

Economic forecasts indicate that the ongoing steady growth of output could last longer than originally expected, perhaps until 1986. Thus, the need for fiscal stimulus would also be postponed. In its present form, the 1986 budget is designed to be neutral. Policy stance will, however, be reconsidered in the course of the year if deemed necessary.

Monetary policy was tightened considerably in the autumn of 1983 with the aim of stemming a speculative capital outflow and supporting efforts to bring down the inflation rate. After peaking at 18 per cent in September 1983, the Bank of Finland's call money rate has since been successively lowered and stood at 13.8 per cent at the end of April this year. The base rate applied by the Bank of Finland was kept unchanged throughout 1984 but was lowered by half a percentage point to 9 per cent in February of this year. Average lending rates have, nevertheless, remained high in nominal terms, reflecting the increased share of unregulated market rate loans in total lending. With the deceleration of inflation, there has thus been a clear rise in real lending rates.

A two-year comprehensive incomes agreement was concluded in 1984. Modest wage raises were accompanied by various welfare policy measures designed to raise the overall level of benefits. The inflation target of 4 per cent set for 1986 implies that pay increases negotiated on expiration of the existing agreement should not exceed one and a half per cent from March 1986.

CENTRAL GOVERNMENT

The programme adopted by the present Government when it took office in May 1983 included a number of ambitious goals concerning central government finances. Gross borrowing in the state budget was to be reduced both in 1984 and in 1985 from its budgeted 1983 level of FIM 10.3 billion. The rise in the gross tax ratio (total taxes as a percentage of GDP) was to be limited to a

maximum of one percentage point in the period up to 1986. All welfare policy and other items were subordinated to these general aims.

State expenditure¹ has increased rapidly during the last few years. Real outlays rose by 8.1 per cent in 1982 and by 7.6 per cent in 1983. In 1984, the growth of expenditure fell to 2.5 per cent, or to zero, if debt servicing is excluded. Part of the deceleration in the growth rate of total expenditure was, however, due to the deferral of disbursements over the turn of the year to 1985. Largely because of this, consumption outlays decreased in real terms. By contrast, transfers to the local government sector rose by as much as 17 per cent in nominal terms. Gross borrowing fell to FIM 8.3 billion and the net financing requirement to FIM 3.4 billion in 1984, equivalent to 1.1 per cent of GDP. State debt amounted to FIM 44 billion, or 14.5 per cent of GDP, at the end of 1984.

When preparing the budget for 1985, the Government's aim was to keep central government expenditure unchanged in volume terms in 1985. Measures cancelling or postponing outlays were already taken in 1984. For counter-cyclical reasons, certain temporary increases were implemented in personal and corporate taxation.

In the autumn of 1984, the budget proposal for 1985 amounted to FIM 92.9 billion, which represented an increase of 8 per cent in nominal terms on the estimated outturn for 1984. However, FIM one billion was added to outlays when the proposal was being discussed in Parliament, partly because a number of bills aimed at cutting social welfare spending and postponing transfers to the local government sector failed to gain the necessary two-thirds majority. Total expenditure was also boosted by the outlays postponed from the previous year. The volume of state expenditure in 1985 is currently estimated to rise by some 5 per

¹ For more detailed information on state finances, see the statistical section of this Bulletin.

cent, of which increased redemptions of central government debt account for more than 1.5 percentage points.

In March 1985, the Government announced that real outlays in the 1986 budget should not exceed those in 1985 by more than one per cent. In its economic policy statement to Parliament in May, the Government set forth further guidelines and targets for economic policy next year. To curb inflation, several taxes and public charges are to be lowered. It was stated that the fiscal impact of the 1986 budget should be neutral and that outlays should not exceed FIM 100 billion. Total borrowing would amount to FIM 11 billion, and hence the net financing requirement will amount to around one per cent of GDP or roughly the same as this year and clearly less than in previous years.

The total tax burden has risen more than projected. From 34 per cent of GDP in 1983, the ratio of total taxes to GDP rose to 36 per cent last year and is estimated to reach almost 37 per cent this year. Part of the rise is due to the temporary taxes collected for countercyclical reasons in 1984–1985. In addition, the reform of the unemployment insurance scheme has led to a technical rise in the tax ratio of about half a percentage point. When allowance is made for these factors, as well as for revisions in statistics and for deviations in economic performance from forecast development, the objectives laid down in the Government's programme should be fulfilled, given present plans and budget preparations.

TABLE 2. TAX RATIO IN 1982–1985

	1982	1983	1984*	1985**
	per cent of GDP			
Gross tax ratio	35.0	34.0	35.9	37.0
— central government	21.8	21.0	22.2	22.5
— local government	8.7	8.7	9.0	9.0
— social security funds	4.5	4.4	4.8	5.0
Net tax ratio	21.6	20.9	22.6	23.5

LOCAL GOVERNMENT

Local government expenditure grew markedly in 1984, partly because of the rearrangement

of several major transfers from the state budget. Spending on consumption rose by 15 per cent in nominal terms and by 5.5 per cent in volume, of which about two percentage points was due to the rearrangement. Investment outlays fell slightly in real terms.

Local government tax revenue increased by 14 per cent last year. The average local tax rate was kept unchanged at around 16 per cent. Transfers from central government rose by as much as 17 per cent, of which some 5 percentage points was due to the rearrangement of the state aid system.

Consequently, the financial position of the local government sector as a whole improved, even if regional differences occurred. Net lending, usually well below half a per cent of total outlays, amounted to nearly 2 per cent. The indebtedness of the local government sector is low.

Local government expenditure on consumption is estimated to grow by only about 2.5 per cent in real terms in 1985. Employers in the local government sector now pay an extra social security contribution equivalent to 3.05 per cent of wages and salaries to compensate for the additional tax revenue resulting from the reform of the unemployment insurance scheme. Transfers from the state budget are estimated to rise by 11 per cent in nominal terms. As local tax revenue is expected to grow by 12 per cent, the financial position of local authorities will improve further. Payments of state grants deferred from the previous year will also add to liquidity in this sector.

For many years, representatives of central and local government have agreed on targets and guidelines for their financial plans so as to better coordinate the various parts of public sector finances. However, a persistent problem has been the fact that local authorities have, on account of their income from local taxes, state transfers and public utilities, been in an easy financial position and consequently will-

ing to expand their expenditure more rapidly than there has been scope to increase transfers from the state budget, given the current fiscal policy objectives. A reform of the present transfer system, which gives few incentives to restrict spending, is currently under preparation.

In 1986, growth in consumption outlays may accelerate again, if local government plans are carried out. The financial position of the local government sector does not seem likely to deteriorate, however.

SOCIAL SECURITY FUNDS

Social security benefits have been increased considerably during recent years and now amount to over 6 per cent of GDP, or one-third more than five years ago. The major reforms have been a substantial increase in old-age pensions benefits, carried out in several stages, an improvement in maternity benefits and a reform of the unemployment insurance system, implemented at the beginning of this year. Nominal outlays were also raised because most benefits became taxable income.

Compulsory social security contributions have been used as a counter-cyclical instrument in economic policy, and this has contributed to combatting inflation. Employers' contributions are at present about 21 per cent of wages and salaries, or one and a half percentage points less than in 1977. Cuts in these premiums have naturally weakened the financial position of the Social Insurance Institution, which also administers the sickness insurance scheme, and substantial transfers have been necessary from the state budget. In Finland, the employment pension scheme is run by private institutions.

PUBLIC DEBT

Net public debt in Finland is very small by international standards, amounting to only half a per cent of GDP in 1983 compared with 30

per cent in the OECD as a whole. At the end of 1984, gross central government debt totalled FIM 44 billion, or 14.5 per cent of GDP. Of this amount, foreign loans accounted for FIM 25 billion or roughly one-half. The net foreign debt of the total economy was equivalent to about 17 per cent of GDP.

Central government indebtedness has risen during the last ten years or so, owing both to the generally expansionary stance of economic policy and the fact that tax rates have been kept low. Indeed, the state was a net creditor until very recently. Long-term housing loans, channelled through the budget, constitute the largest single item in state lending to the public.

Interest payments and amortizations have increased rapidly in recent years, thus limiting the scope for other spending. Hence, budget deficits have been reduced to restrict central government borrowing. Indebtedness as a percentage of GDP has now stabilized, but a downward trend has not yet been established.

MEDIUM-TERM PROSPECTS

Projections indicate that the Finnish economy could go on growing at an average rate of 3 per cent per annum over the medium term if there are no significant changes in the international environment and if active economic policy is successfully pursued. These projections are based on the assumption that the size of the public sector will not grow any further in relative terms. This implies that public expenditure should rise by no more than about 2 per cent a year, or half the average growth rate recorded during the last ten years. Since the annual rate of increase in local government outlays is unlikely to stay below 2.5 per cent, the rise in central government expenditure would also be limited to about 2 per cent annually. When allowance is made for debt servicing costs, the scope for the rise in expenditure is about one per cent a year.

MONETARY AND FOREIGN EXCHANGE POLICY MEASURES FROM MAY 1984 TO APRIL 1985

1984

May

Call money market. The Bank of Finland raises the call money rate from 16.5 to 16.8 per cent as from May 29.

June

Export deposits. On June 5, the Council of State decides to collect export deposits for pulp to be exported between June 8, 1984 and June 7, 1985. The deposits are to be made at the Bank of Finland, and will bear interest at a rate of 8 ¼ per cent.

July

Call money market. The Bank of Finland lowers the call money rate from 16.8 to 16.5 per cent as from July 3.

September

Central bank financing. The Bank of Finland decides to extend to Peruspankki Ltd, as from the beginning of September, the same rights to central bank financing and the use of the call money market as the other commercial banks.

Call money market. The Bank of Finland lowers the call money rate from 16.5 to 16.0 per cent as from September 7 and further to 15.8 per cent as from September 28.

Cash reserve requirement. On September 7, 1984, the Bank of Finland concludes a new cash reserve agreement with the banks. According to it, the cash reserve base comprises, in addition to deposits received on normal terms, the total stock of deposits denominated in foreign currency, special deposits and the banks' net foreign liabilities after certain deductions.

Regulation of average lending rates. On September 7, 1984, the Bank of Finland decides to revise its regulation of the banks' average lending rates. According to the new system, the average lending rate applied by a banking institution to its domestic markka-denominated lending is allowed to rise by not more than 30 per cent of the increase in the average deposit rate on the bank's total stock of deposits. The new system is to become effective progressively as from the beginning of October.

October

Call money market. The Bank of Finland lowers the call money rate from 15.8 to 15.6 per cent as from October 26.

November

Financing of domestic suppliers' credits. The Bank of Finland raises the rate of interest applied to domestic suppliers' credits by one percentage point to 10 ½ per cent. At the same time, the Bank raises the lower limit on the contract price of a delivery which can be financed to FIM 1 million and the commitment fee to a maximum of 0.35 per cent. The revisions are to concern domestic suppliers' credits granted as from November 1, 1984.

Export deposits. The Council of State decides to discontinue the collection of export deposits on sawn pine wood as from November 1, 1984.

Insurance companies' right to acquire foreign shares. On November 9, 1984, the Bank of Finland authorizes the insurance companies engaged in foreign insurance business to also invest, on certain conditions, the funds obtained from their foreign insurance business in foreign shares.

Call money market. The Bank of Finland lowers the call money rate from 15.6 to 15.4 per cent as from November 14 and further to 15.2 per cent as from November 30.

Bank of Finland's credit facility agreements. On November 16, the Bank of Finland cancels its credit facility agreements totalling USD 1.5 billion with international banking consortia.

December

Banks' foreign lending activities and transactions in foreign securities. Through permits entering into force at the beginning of December, the Bank of Finland increases the banks' opportunities to engage in foreign lending activities and dealings in foreign securities, particularly shares. These permits require that the credits granted to non-residents and the security purchases are refinanced mainly by resorting to foreign credit.

Call money market. The Bank of Finland lowers the call money rate from 15.2 to 14.8 per cent as from December 21.

1985

January

Arrangement for the financing of short-term export credits. On January 1, 1985, the Bank of Finland raises the rate of interest on short-term export credits so that, irrespective of the credit period, it is the same as the Bank of Finland's base rate at any one time. At the same time, the Bank of Finland decides to reduce the maximum annual average amount of the Bank's financing of short-term export credits from FIM 30 to FIM 20 million.

Call money market. The Bank of Finland lowers the call money rate from 14.8 to 14.6 per cent as from January 11 and further to 14.2 per cent as from January 25.

Export deposits. The Council of State decides to discontinue the collection of export deposits on pulp as from January 31, 1985.

February

Interest rate policy. The Bank of Finland lowers its base rate from 9.5 to 9.0 per cent as from February 1. The banks are required to lower, in general, the rates of interest on their outstanding loans by 0.5 percentage point from the same date. The upper limit on the banks' lending rates is also lowered to 13.5 per cent. In addition, the rates of interest on the banks' tax-exempt deposit accounts fall, on average, by 0.5 percentage point.

Domestic foreign-currency-denominated loans. As from February 1, 1985, the Bank of Finland limits the amount of domestic foreign currency loans granted by an authorized bank which do not require the prior approval of the Bank of Finland to no more than the amount of domestic non-bank foreign currency deposits with the bank.

Payments agreement between Finland and Hungary. Under an agreement concluded between the Finnish and Hungarian authorities in October 1984, the payments agreement between the two countries terminates on January 31, 1985. As from February 1, 1985, payments between the two countries are to be effected in convertible currencies.

Call money market. The Bank of Finland lowers the call money rate from 14.2 to 14.0 per cent as from February 26.

March

Currency options. The Bank of Finland decides to entitle the authorized banks to conclude option contracts as from March 1, 1985. However, these contracts may not concern rates of exchange quoted against the Finnish markka.

Amendments to Foreign Exchange Regulations. The Bank of Finland revises the Foreign Exchange Regulations in certain respects as from March 1, 1985. The main details of the amendments are as follows:

Dividend receipts from foreign direct investment in Finland can be transferred abroad

through an authorized bank without the Bank of Finland's special permission.

Obtaining collateral security on behalf of a non-resident is allowed without the Bank of Finland's special permission. Similarly, granting collateral security to a non-resident on behalf of a resident is allowed without special permission.

April

Payments Agreement between Finland and Bulgaria. In keeping with an agreement con-

cluded between the Finnish and Bulgarian authorities in November 1984, the US dollar clearing account between the two countries is replaced by a Finnish markka clearing account as from April 1, 1985.

Export deposits. On April 3, the Council of State decides to repay export deposits. The export deposits collected on sawn wood are to be repaid during June and those on pulp during November.

Call money market. The Bank of Finland lowers the call money rate from 14.0 to 13.8 per cent as from April 26.

ITEMS

Finland's balance of payments January — March 1985. According to the Bank of Finland's preliminary figures, the current account showed a deficit of FIM 595 million in January — March of this year. The net of long-term capital inflow amounted to FIM 1 314 million and the net short-term capital inflow to FIM 1 434 million. Hence, the foreign exchange reserves of the Bank of Finland grew by FIM 2 153 million. In January — March 1984, the current account had shown a surplus of FIM 794 million.

Current account. On a balance-of-payments (SNA) basis, the trade account registered a surplus of FIM 1 148 million in January — March, as compared with a surplus of FIM 2 612 million in the corresponding period last year. Commodity exports grew by 2 per cent in value but fell by 5 per cent in volume compared with January — March 1984. Analyzed by industrial sector, export volumes increased only in the paper industry, the basic metal industries, and the textile, clothing and footwear industries. The value of commodity imports grew by 11 per cent and the volume by 4 per cent. Import volumes of consumer goods increased by 3 per cent on January — March 1984, whereas import volumes of investment goods fell by 6 per cent. Import volumes of raw materials and intermediate goods grew because of substantial crude oil imports.

The surplus on the services account amounted to FIM 278 million in January — March, which was about half of the surplus in the corresponding period last year. The surplus on the transport account was virtually the same as one year earlier at FIM 899 million. Travel receipts grew by 9 per cent and travel expenditure by 18 per cent, so that the travel account registered a deficit of FIM 481 million. In the first quarter of the previous year, the travel account had shown a deficit of FIM 370 million. The "other services account" recorded a deficit of FIM 140 million in January — March.

Interest payments on foreign loans amounted to FIM 3 066 million. With interest earnings on foreign assets reaching FIM 1 534 million, the investment income account showed a deficit of FIM 1 532 million in January — March. This was FIM 478 million less than in the corresponding period last year. The unrequited transfers account registered a deficit of FIM 356 million.

Capital account. Drawings of long-term loans amounted to FIM 2 977 million in January — March, which was more than one billion markkaa less than in the corresponding period of 1984. The central government accounted for FIM 750 million of the drawings. Redemptions of long-term loans totalled FIM 1 738 million. Drawings of long-term export credits granted to foreign customers reached FIM 284 million and redemptions of outstanding export credits FIM 408 million. Finnish direct investment abroad totalled FIM 729 million, in net terms. Foreign direct investment in Finland showed a net outflow of FIM 18 million. Portfolio investments in Finland amounted to FIM 887 million. The total net inflow of long-term capital amounted to FIM 1 314 million, which was about FIM 600 million less than in the corresponding period last year.

The inflow of short-term capital (including errors and omissions) totalled FIM 1 434 million in January — March. Short-term liabilities related to imports grew by approximately FIM 608 million, while net prepayments and receivables related to exports fell by FIM 329 million. The net short-term liability of the authorized banks went up by FIM 2 071 million.

The foreign exchange reserves of the Bank of Finland increased by FIM 2 153 million in January — March. The Bank's convertible foreign exchange reserves grew by FIM 2 328 million and tied currency liabilities by FIM 175 million. At the end of March, the convertible foreign exchange reserves of the Bank of

Finland totalled FIM 20 906 million, while the liabilities in tied currencies amounted to FIM 502 million.

At the end of March, Finland's net foreign debt reached FIM 54 813 million, of which the central government accounted for FIM 23 731 million. The net long-term debt totalled FIM 54 568 million and the net short-term debt FIM 245 million.

**MAJOR BALANCE OF PAYMENTS ITEMS
JANUARY—MARCH 1985, MILLION FIM¹**

	Receipts	Expendi- ture	Net
Trade (exports f.o.b., imports c.i.f.)	20 111	18 807	1 304
Adjustment items	-24	132	-156
Trade account	20 087	18 939	1 148
Transport (c.i.f.)	1 541	642	899
Travel	565	1 046	-481
Other services	1 085	1 225	-140
Services account	3 191	2 913	278
GOODS AND SERVICES ACCOUNT	23 278	21 852	1 426
Investment income, net	1 534	3 066	-1 532
Unrequited transfers	129	485	-356
Other	817	950	-133
A. CURRENT ACCOUNT	25 758	26 353	-595
	Change in assets	Change in liabilities	Net
Long-term financial loans and suppliers' credits: ²			
drawings	-284	2 977	2 693
redemptions	408	-1 738	-1 330
Direct investment	-729	-18	-747
Other long-term capital	-167	865	698
B. LONG-TERM CAPITAL ACCOUNT	-772	2 086	1 314
BASIC BALANCE (A + B)			719
Prepayments and liabilities related to imports			853
Prepayments and receivables related to exports			532
Short-term capital of authorized banks ³			2 071
Other short-term capital			-320
Errors and omissions			-1 702
C. SHORT-TERM CAPITAL ACCOUNT			1 434
D. ALLOCATIONS OF SDRs			-
OVERALL BALANCE (A + B + C + D)			2 153
Change in the foreign ex- change reserves of the Bank of Finland			-2 153

Assets: increase —, decrease +
Liabilities: increase +, decrease —

¹ Preliminary figures.

² Assets include export credits only.

³ Figures include the foreign assets and liabilities of foreign branches.

The Bank of Finland's new bank note series. A new bank note series is to be introduced in Finland in the second half of the 1980s. The first of the newly-designed notes will be put into circulation at the end of 1986.

The bank notes have been redesigned for several reasons. The security of the notes currently in circulation has diminished, mainly because of the development of new copying techniques. Over the years, it has been necessary to modify the present bank note series on a number of occasions, and consequently it no longer constitutes an integrated whole nor does it represent a unified artistic conception. The use of notes in vending machines has also increased, and this places new demands on the notes. In addition, the Bank of Finland is adopting mechanical methods for determining the authenticity of notes and this requires that the notes have certain features which aid recognition.

Details of the pictorial theme for the new bank note series were released in May. It is based on different historical periods, with persons symbolizing the period in question on the front of the notes and various motifs on the reverse. In the selection of the periods, the division of Finland's history into three main periods is stressed: the period of the Swedish rule, the period of autonomy and the period of independence.

The size of the notes will remain unchanged. For reasons of security, the colours and final appearance of the notes will not be made public until each note is issued.

Publication of the Security Printing House. A commemorative book entitled "Bank of Finland Security Printing House, 1885 — 1985" was published on May 22, 1985, when the Bank of Finland Security Printing House celebrated its centenary. The articles of the book deal with the history of the Security Printing House as well as with various issues

relating to the field of security printing and its future. In addition, the book gives information on a new bank note series scheduled to be issued in Finland in the second half of the 1980s (see item before).

The book is published in Finnish and Swedish editions. An English version is available in abridged form. Helsinki 1985, 256 pp. (English edition 114 pp.) ISBN 951-686-103-2, ISBN 951-686-104-0, ISBN 951-686-105-9.

(Continued from page 2)

contrast to most other OECD countries, where the chief concern was with bringing down inflation and reducing budget deficits. The subsequent widening of the inflation gap between Finland and the OECD area and growing public sector deficits led to the adoption of tighter fiscal and monetary policies in the course of 1983. The shift in the policies was facilitated by a simultaneous recovery of Finland's export markets.

In the early part of the current year, the rise in import prices was boosted by the strong appreciation of the dollar. This has also been reflected in wholesale and producer prices, which means that some additional underlying inflationary pressures will persist until the middle of the year despite the subsequent fall of the dollar. Any further depreciation of the dollar will ease inflationary pressures later during the year. On the whole, import prices are expected to exert a downward impact on domestic inflation in 1985. The rise in

consumer prices is estimated to decelerate to close to the 5 per cent target set by the government for the 12 months to end-1985. Timber prices are expected to fall slightly in 1985. Wage and salary earnings are forecast to increase by about 7 1/2 per cent compared to 9.4 per cent last year.

For 1986, the government has set a target of reducing the 12-month inflation rate to 4 per cent by the end of the year. Achieving this quite ambitious target will provide only very limited scope for nominal wage increases. The current two-year comprehensive incomes agreement expires in February 1986. Included in the agreement is a commitment by employers to shorten working hours by 32 hours per year – somewhat less than 2 per cent of the annual total – in the private sector without any lowering in the level of earnings. This will provide an additional boost to labour costs in 1986.

May 24, 1985

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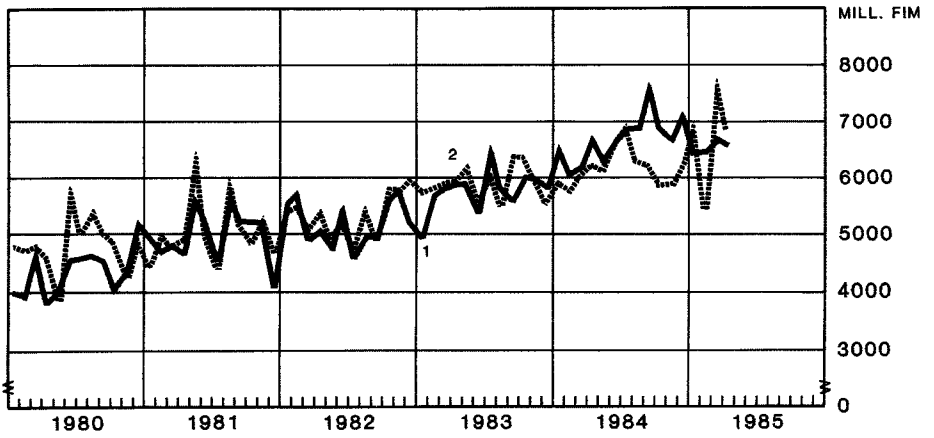
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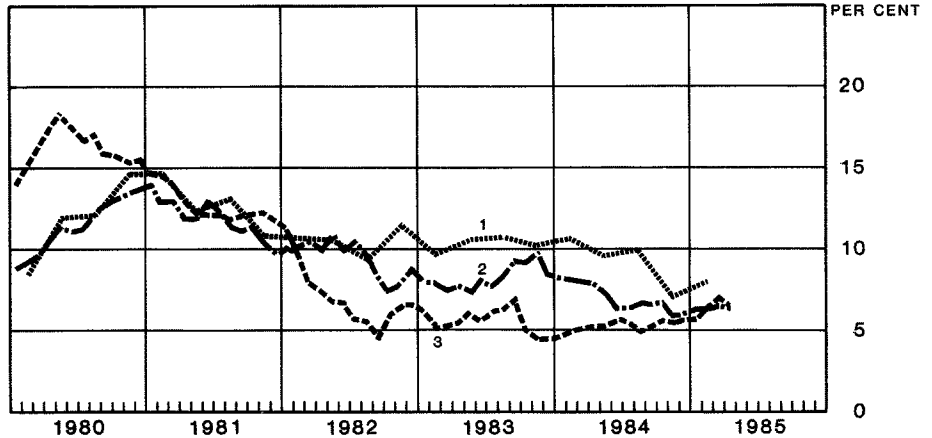
FOREIGN TRADE, 1980-85

- 1. Exports f.o.b.
 - 2. Imports c.i.f.
- Seasonally adjusted monthly figures



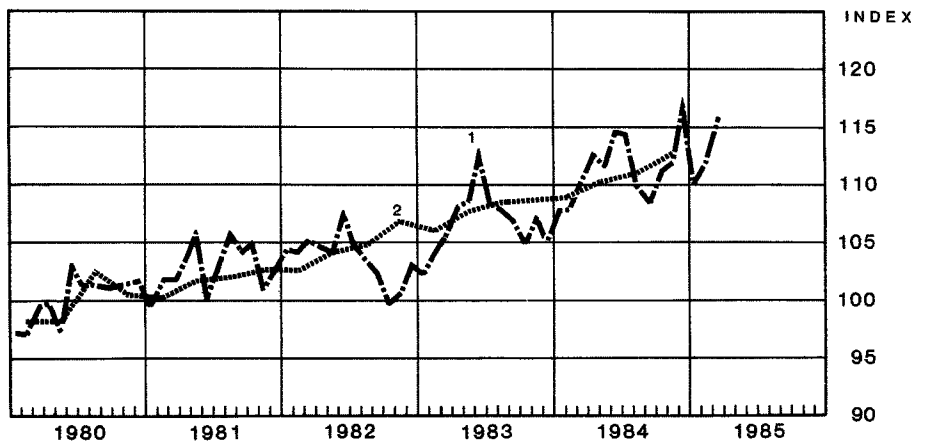
PRICES AND WAGES, 1980-85

- 1. Index of wage and salary earnings 1975 = 100, quarterly figures
 - 2. Consumer price index 1981 = 100, monthly figures
 - 3. Basic price index for domestic supply 1980 = 100, monthly figures
- Percentage change on previous year



PRODUCTION, 1980-85

- 1. Total index of industrial production 1980 = 100, seasonally adjusted monthly figures
- 2. Volume index of gross domestic product 1980 = 100, seasonally adjusted quarterly figures



Bank of Finland Monthly Bulletin
Suomen Pankki — Finlands Bank
P.O. Box 160, SF-00101 Helsinki, Finland
Telephone: Helsinki 1832629
Telex: 121224 spfb sf
Cables: SUOMENPANKKI Helsinki

EDITOR-IN-CHIEF Antero Arimo
EDITOR Marja Hirvensalo

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